Daily Report

Latin America

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Cuba

U.S. Remarks at UN Characterized as Provocation

FL1610025491 Havana Radio Rebelde Network in Spanish 0038 GMT 16 Oct 91

[Text] Today, Cuba characterized as provocation the U.S. Government's campaign to discredit the Cuban revolution and its leaders, and denounced Washington's meddling in the internal affairs of Haiti. In a statement distributed to the press on Monday, the U.S. Mission to the United Nations said that for decades the Cuban people have been denied the right and privilege to determine their leaders through periodic, genuine elections. The U.S. Mission's document, which supposedly was to be read before a commission of the General Assembly, makes reference to the anti-Cuban paragraph read last month by President George Bush during his speech at the United Nations.

Ivan Mora Godoy, Cuban delegate to the UN General Assembly debate on racism and self-determination, accused the U.S. Government of posing as a supreme judge that discredits others left and right. The Cuban diplomat added: this is the government of a country that claims to be the most powerful, wealthy nation on the planet; yet it cannot hide its deeply unjust, discriminatory, and unfair society. Mora Godoy also affirmed on behalf of Cuba that all countries have the right to freely determine their political, economic, and social regime; and that every country must respect that right as stated by the UN Charter.

Comment on PCC Accepting Believers as Members

PA1510013491 Havana Radio Havana Cuba in Spanish 1406 GMT 14 Oct 91

[Commentary by Roberto Morejon]

[Text] One of the most important aspects of the Communist Party of Cuba's [PCC] Fourth Congress dealt with amending the party statutes regulating Cuban society and the possibility of accepting as PCC members outstanding revolutionaries who are also believers.

The decision to accept as members persons who defend the revolution with all their strength, are outstanding citizens, and profess a religious faith constitutes a decisive step toward strengthening national unity. The closing of ranks in the Cuban majority that favor socialism is a priority matter in the country in view of U.S. harassment, attempts to isolate Cuba, and the severity of the current economic situation.

Certain party members have doubts as to the correctness of the accord reached at the congress, but the force of the arguments will persuade them in the long run of the appropriateness of eliminating this vestige of discrimination against believers. Skeptics recall that, in the first years of the revolution, the Catholic Church hierarchy was manipulated by the enemies of the popular process established in the Caribbean country in 1959. But, as those who support the party accord say, the time is gone when numerous Catholic priests hid in their churches those sought for having committed acts against state security or encouraged from the pulpit hatred of state authorities.

Cuba cannot ignore the teachings of a great number of religious people in the Third World who advocate progressive transformations in the undeveloped world without this entailing forsaking their Christian faith. Cuban history gives examples of Catholic and Protestant believers like Father Guillermo Salminas; Frank Pais, leader of the 26 July Movement; and port union leader Aracel Iglesias, who staunchly opposed Fulgencio Batista's dictatorship.

The decision to accept into the party vanguard revolutionaries who are also believers was welcomed by several sectors, including evangelical believers, who with songs, prayers, and theological exegesis, recognized this weekend the importance of Cuban communists.

Castro Traveled 'Secretly' to Venezuela 11 Oct

PA1410234691 Mexico City NOTIMEX in Spanish 2209 GMT 14 Oct 91

[Text] Miami, 14 Oct (NOTIMEX)—It has been stated here on 14 October that Cuban President Fidel Castro reportedly traveled secretly to Venezuela to meet with his counterpart Carlos Andres Perez, who asked him to refrain from making statements in the event of an armed intervention in Haiti.

According to an "exclusive" unconfirmed report on radio station "WQBA—La Cubanisima," Perez received Castro in the Venezuelan official residence "La Orchidea" near Caracas.

According to the radio station, which is identified with Cuban exiles, Castro left the Communist Party of Cuba (PCC) Congress on 11 October to go to Venezuela.

Castro, according to the report, left Santiago de Cuba on 11 October at 1145 aboard a Cuban Air Force plane and stayed in Venezuela until 0400 on 12 October.

Apparently the meeting was related to Perez' diplomatic efforts to get Haitian President Jean-Bertrand Aristide reinstated to his post, according to the radio station.

Castro Attends Galician Festival in Havana

Castro, Fraga Stress Ties

FL3009185191 Havana Tele Rebelde Network in Spanish 1243 GMT 30 Sep 91

[Report on an interview with President Fidel Castro and Galician President Manuel Fraga during a Galician festival in Havana by correspondent Oscar Suarez—recorded]

[Text] Commander in Chief Fidel Castro, president of the Councils of State and Ministers, has attended a Galician festival in the gardens of La Tropical, as is well known. During the activity, Commander in Chief Fidel and the Galician President Manuel Fraga Iribarne talked with our reporter Oscar Suarez.

[Begin recording] [Suarez] We have been attending this Spanish festival, Galician to be specific, and I would like you to tell us what memories it brings you?

[Castro] It does not bring any memories because I did not live that experience, because my father ...[changes thought] well, most Galicians were peasants and, for example, never had an opportunity to enjoy a caimada [local drink]. They used to talk about their traditions, their land, they were close to their country, but their nostalgia was tinged with sadness [morina]. I believe that is a Galician word. Sometimes they did not speak to avoid being sad. Therefore, many of these things are new to me. I find it all very pleasant, because it has to do with traditions, each country's customs. It is very gratifying to see that traditions and customs are kept alive. Like you said, we have a mix of many races and traditions. That is why I believe our country is perfectly suited to understand the jargon, to understand [words indistinct]. I did not know we had so many people of Galician ancestry in Havana. Havana is inundated with Galicians. There are more than 40 Galician associations. They have enjoyed themselves. The Galician delegation has received a very warm welcome.

[Suarez] Could it be said that these encounters among compatriots demonstrate that humanism surpasses ideologies?

[Castro] I do not think that ideologies have to be in conflict with humanism. I believe everyone should have his own ideology. I have mine. Fraga has his. [Words indistinct] ours. There is no reason why they have to conflict. International relations, human relations, like this one being established between two peoples, do not have to conflict with ideologies. I believe that ideologies are what is respected most in Cuba. There are not two things that have to be placed against each other. Ideology must not be allowed to become an obstacle for international relations. What can not be rejected is your principles. These ties of friendship do not involve any contradiction with our political thought. We have achieved good progress.
[Fraga] And as proof of it, here comes another type of caimada to prove that more than one type can exist.

[Castro] Another caimada? With white wine?
[Fraga] This is another kind, mixed with white wine.

[Suarez] We understand, as I was told in Galicia, that Mr. Fraga is quite a food and wine connoisseur.
[Fraga] Moderately so.

[Castro] I have noticed... [interrupted by Fraga]
[Fraga] [Words indistinct] baked fish here in Cuba. [laughs]

[Castro] I have noticed in him a spirit of dedication, conscientiousness, concern for the people, human sensibility. I am very glad because these are values that can be appreciated [words indistinct] it could be courage, it could be intelligence, a person's virtues should always be recognized. It is something that we should always be capable of admiring.
[Suarez] Commander, when are you going to visit Galicia?

[Castro] That is still the question. Whenever there is an opportunity is the best answer.
[Suarez] Has Mr. Fraga extended an invitation yet?
[Fraga] We expect to see him there in 1992.

[Castro] An invitation to visit Spain is not his responsibility. As I mentioned before, the king has invited me.
[Suarez] But, in 1993 [words indistinct]?
[Fraga] First, there is [interrupted by Castro].

[Castro] First of all, was the invitation by the king of Spain in Guadalajara. But within Spain, [words indistinct].
[Suarez] Commander, I understand that after the visit by Mr. Fraga and the delegation of the Galician Council, a series of visits from other regions of Spain is scheduled to take place?

[Castro] Maybe. I have been told some of them want to visit us. That makes us very happy. But you can not talk of a series of regions.
[Suarez] Are you particularly pleased by the fact that the first visit was from the Galician region?

[Castro] We are very pleased by it. May I ask a question now, since you ask so many questions? Do you have any Galician blood?
[Suarez] No, I am of Asturian descent.
[Fraga] That hurts me, because Asturias is the one that now has [words indistinct]

[Castro] Have you had an opportunity to visit Asturias lately?
[Suarez] In November 1988, when preparing the reports for Cuban TV, which we ran lately in concurrence with Mr. Fraga's visit, including the report about your father's house.

[Castro] The other day, there was a reporter on TV talking about my father's house.
[Suarez] That was me.

[Castro] You? The report that ran on TV a few days ago?
[Suarez] It was me.

[Castro] You were chubbier then? It was you? You did not have glasses.
[Suarez] I was wearing different glasses. Nowadays, I do not see as well. It's age; now I am 43 years old.

[Castro] That interview with the old lady took place three years ago?
[Suarez] With that lady.

[Castro] Whom did she say that house belongs to? She said it was Fidel's house.
[Suarez] Yes, she said it belongs to Fidel, then she corrected herself.

[Castro] Then, I must have a partial right to that house, some inheritance in accordance to Roman law, inheritance laws.
[Suarez] Yes, Commander, but what we found surprising is that the house is falling apart.

[Castro] Well, it seems Galicia does not have a budget to fix it. It would consume Galicia's budget [chuckles].
[Suarez] The trip to Galicia was very interesting. I spent ten days there.

[Castro] Is the place named (?Llancara)?
[Suarez] (?Llancara).

[Castro] How many houses are in the village?
[Suarez] Eight or ten stone houses.

[Castro] What type of job did that lady have? Agriculture?
[Suarez] Yes, she is a peasant. I met her while searching for the house.

[Castro] I can tell you are quite familiar with all of this. You were the one. I thought that interview with the old lady was recent. I thought that the TV had just sent a reporter over there because of Fraga's visit.
[Suarez] No. Commander, one of the visiting businessmen said in a recent interview that he considers you and Mr. Fraga as good brothers.

[Castro] I believe that is right. I can confirm that we are good brothers, good compatriots. We both are of Galician ancestry. He lives in Galicia but he also has some blood from Navarra. Is that not true?
[Fraga] [words indistinct].

Castro Speaks at Celebration

PA0310043391 Havana Tele Rebelde and Cuba Vision Networks in Spanish 0000 GMT 30 Sep 91

[Speech by President Fidel Castro at Galician celebration in Havana on 29 September—recorded]

[Text] Well, I have just arrived. I was not waiting for the rain to stop, but giving you time to organize your party.

I must say that these have been days of Galician celebrations which we have all enjoyed in one way or another. It has been a long time—perhaps never before—since I last saw so many Galicians or their descendants together. The visit by the Galician delegation has been very pleasant, and we have been honored at the Galician president's visit. In addition, it was a courageous act nowadays, when people refrain from doing things out of fear of criticism—criticism from the north, that sort of thing. It is a large delegation that includes capable, intelligent, and agreeable journalists as well as industrialists and personalities from the Galician Government.

In sum, these past days have been very pleasant. You had the chance to meet Manuel Fraga, while he had the opportunity to revive the memories of his childhood. He was received everywhere with hospitality and affection, which he has earned with his personality, kindness, and modesty. We have seen him talking with the people; introducing each member of his delegation; greeting Spanish descendants here; visiting associations, historical and scientific places; working tirelessly like a good Galician without altering his program—even though his plane was delayed approximately seven hours, and did not arrive until after 0100. It was also admirable to see a large group waiting for him at the airport for almost five hours. That was only a preview of how the rest of his visit would be everywhere he went.

It has been like renewing relations between our peoples: the Galician and Cuban people, and the Spanish and Cuban people. So it is of great importance, as Galicians are all over the world. When I found out that the members of the associations are the children and descendants of Galicians, I had to admit that it had to be that way, as Galicians are no longer sent over here. We now have their children, grandchildren, and I imagine great grandchildren too. Of course, there are still some Galicians here, some of whom are quite elderly. I had the honor of greeting one who was 107 and was looking fine, and another one who was 90. So, I am very happy [pauses] it is very gratifying to see that you have maintained your traditions, customs, culture, and links. You have maintained your associations. I was surprised to learn, because I did not know, that there are more than 40 Galician organizations. I knew that there were a few organizations and Galician centers, both here and in Santiago, but I did not know there were so many.

Fraga has mentioned here what we discussed in regard to the Galician Center. He requested a few things, such as additional space and naming it Galician Center. I promised to help. However, I could not make decisions on my own, as I must first consult the people's power in Havana. I must also talk with representatives of the Grand Theater. However, I had already discussed the matter with leaders of the Grand Theater, including Alicia Alonso, who told me that she had no objections. Therefore, if there are no problems, we can satisfy that just desire expressed by Mr. Fraga. In addition, I was also informed of plans to improve and restore the facilities. After this friendly visit, what would we not do to continue developing the relationship and the spirit of brotherhood that has grown during your stay?

Fraga thanked you for your attention, and he also thanked Cuba and its government. I believe that we are the ones who should really thank Fraga for his kind and courageous visit to our country, and for his gestures of friendship. We also congratulate him for the way in which he has worked and completed his program which, as I said, was not changed although he and his delegation only had a couple hours of sleep the first day. We are the ones who must thank the

Galician delegation and who must thank Galicia for sending us such a noble and friendly representation. Thank you. [applause]

Haiti

Reportage on Honorat Confirmation Proceedings

Honorat Expresses Confidence

FL1510145291 Port-au-Prince Radio Metropole in French 1600 GMT 14 Oct 91

[Excerpt] [passage omitted] Jean-Jacques Honorat has already begun a dialogue with most of the political sector in an effort to select a cabinet. The prime minister has also pledged his government to a respect for participatory democracy, as provided for by the 1987 Constitution. Our correspondent Rotchil provides this report.

[Begin Rotchil recording] Even three months is too long to accomplish such a mission [as heard], according to the new Haitian prime minister. Jean-Jacques Honorat passed his test before the parliament on 12 October and hopes to create a government of openness and of dialogue. Today, the prime minister will present his general policy before the Chamber.

He has already announced a program of national relief. According to Honorat, this plan will include the struggle against hunger which will contribute to creating a safe social climate in the country. The prime minister told the senators that there will not be any uprooting nor reuprooting in the public administration. Honorat advised that the files on the newly-employed persons, as well as those of the recently dismissed employees will be examined on the basis of competence. Honorat said that clearly the most qualified people will be chosen.

When questioned on the burning subject of the commercial embargo taken by the international community against Haiti, the head of the government stated that he would initiate aggressive diplomatic strategy to impede the application of such a measure.

The prime minister, who is in charge for three months, maintains that his government will respect participatory democracy as provided for by the Constitution. He stated: My government will keep its distance from autocracy, which has always characterized the governments in Haiti. Regarding the presidential vote, Jean-Jacques Honorat advised that the executive, together with the other institutions, will work to hold elections by the quick formation of the permanent electoral council. According to the prime minister, the elections will be free, honest, and democratic.

Jean-Jacques Honorat advised that his government will review the Army's files and will work with the other state institutions in order to solve the military problems. Before the official announcement of the ministerial cabinet, the prime minister seems to be extremely confident in facing such a complex and difficult situation. He will conduct the government following Aristide's departure. The partisans of the deposed government have not ceased in demanding his return to power. [end recording]

Negotiations, Elections Discussed

FL1610013891 Port-au-Prince Radio Nationale in Creole 2109 GMT 15 Oct 91

["Excerpts" from coverage of the session for ratification of Jean-Jacques Honorat as prime minister at the Legislative Palace in Port-au-Prince on 15 October—live]

[Excerpts] [deputy's question omitted] [Jean-Jacques Honorat] Mr. President, Messrs. members of the office, honorable deputies:

That is a good question, the question of elections. But remember that we spoke of negotiations. Negotiations on what? Negotiations on the events that justify our presence here. Everybody knows what events we are talking about. So when we say negotiations... [changes thoughts] I explained a few minutes ago that negotiation means taking two opposing viewpoints and trying to conciliate them, does it not? [passage omitted]

There is a viewpoint in favor of President Aristide's return and a viewpoint opposed to President Aristide's return. Take them both, and try to reach a happy medium. [passage omitted]

If you say you wish to hold elections within three months, this means you are categorically opposed to Aristide's return and that you have taken a stand. The Constitution provides for elections within 45 to 90 days. So, you will go to negotiations to... [changes thoughts] One of the defenses you have in the negotiation process is precisely the matter of 45 days. You will go to negotiations, you say: Very well, we will go to negotiations. But watch out! The position we take [words indistinct] must be realized within 45 days. Once 45 days have passed, we will be obliged to hold elections. [passage omitted]

As I have said before, due to a lack of tradition in the Haitian political culture, negotiation is is a concept we Haitians do not understand. To our mind, it means trade or sale. When you speak of compromise in Haiti, people think of shady deals. This is a problem in our political tradition, and the reason we do not speak of elections. In fact, if we are considering negotiation, we cannot first take a fixed stand or rigidly conform to a given viewpoint.

As to the deputy's question on the embargo, I wonder whether he was present when I answered Deputy Lamarre's questions: I spoke of the blockade, commented on it at length, although I did not call it by name. I do not see what else I can say. We will go to negotiations if for no other reason than to prevent the embargo from being applied. The embargo has not gone into effect, thanks to our statements on it. It should have been in operation

since last week, should it not, Deputy? Are you satisfied with my answer? Thank you very much. [passage omitted]

Lower Chamber Confirms Honorat

FL1510141891

[Editorial Report] Port-au-Prince RTNH in French at 1950 GMT on 14 October begins live coverage of the confirmation hearing of Jean-Jacque Honorat, prime minister-designate, by the Lower Chamber at the Legislative Palace in Port-au-Prince. Parliament is seen in session. The speaker of the Lower Chamber discharges a delegation to usher in Prime Minister-Designate Jean-Jacques Honorat. The prime minister-designate is seen accompanied by a five-member delegation. The prime minister-designate is asked by the speaker to submit a list of the members of his cabinets. Honorat explains to the speaker that the list is incomplete but nine appointed ministers have committed to the cabinet. The prime minister-designate explains to the Lower Chamber the reasons for not having all the ministers with him, saying that the list is almost complete.

Honorat begins his address to the Lower Chamber. The prime minister-designate recounts Haiti's great moment of drama when the country was exposed to civil war and foreign interference. Honorat says that the choice of himself came from a consensus of political parties. He accepts the "terrible honor" in order to help resolve the difficult and complex situation. The prime minister-designate states that he would remain open to dialogue with national and international institutions in order to negotiate appropriate solutions.

Honorat continues his address in Creole. He states that he will not tolerate any attacks on human rights or any constitutional interference. Honorat says: "The government is ready to cooperate in all democratic measures including the signing of agreements not signed by former governments, especially agreements on human rights." He says that the government will try its best to create work for poor people so they may survive, to relieve hunger, and to solve the problem of school fees and rent. Honorat says that he does not believe in charity. He states that his duty is to create jobs by having his ministers make available jobs with the help of the private sector in order to relieve the anguish that the nation is suffering now.

Honorat says that the minister of education will consider all problems as priorities. Honorat further says that education is very urgent and that the means should be provided to start schools by 4 November. The prime minister-designate says that children should not pay for the mistakes of adults. He says that no one wants such a situation to prevail and he sees it as a plot against Haiti to keep illiteracy. Honorat says: "We want that to be over." Honorat says that the minister of education will work with school owners to find a solution to the education problems in the country. He points out that the private sector had promised to help pupils find school material and for parents to find ways to pay for fees. Honorat says: "We must encourage excellence in the country."

Honorat goes on to say that the Army and justice are very crucial because everyone is aware of the bad living conditions in which soldiers live. He says that this institution does not have its own security and cannot provide security to population. The prime minister-designate calls for respect of the law and the Constitution in order to apply justice. He says that he hopes to set an example for other governments and that he will not tolerate people taking justice into their own hands. Honorat says that Haiti has very good laws and a very liberal Constitution but that everyone must respect the law and that the law is for everyone.

Honorat describes food as a major problem, noting that there is less arable land in 1991 than in 1791. He says that scientific solutions must be found and irrigation systems need to be more functional.

The prime minister-designate continues his address now in French. He says that what he has spoken on are the "broad objectives" of his government. He says that the government will not make promises above its means. Honorat says that with his character and conviction he commits himself, with the confidence of the parliamentarians and the help of all sectors, to doing his best. Honorat says: "Let us banish all feelings of hate. Let us make a strong chain of a friendly and humanitarian nation. Thanks to all deputies."

The deputies are now invited by the speaker of the Lower Chamber to ask questions of the prime minister-designate. The hearing concludes at 2200 GMT. The speaker of the Lower Chamber then asks for the confirmation vote. The prime minister-designate is approved by the Lower Chamber by a general majority.

Honorat thanks the Lower Chamber for their confidence and for the authority to conduct a government during a time of national difficulties in an attempt to save the country from foreign interference and civil war. Honorat says that he feels that he is not a man of big words but rather a man of his word. Honorat concludes by calling on all Haitian men and women to work together.

At 2215 GMT the session is adjourned.

Further on Honorat General Policy

FL1510165091 Port-au-Prince Radio Soleil Network in Creole 1116 GMT 15 Oct 91

["Report" on the confirmation hearing of Jean-Jacques Honorat, Haitian prime minister-designate, by Philippe Bien-Aime at the Chamber of Deputies in Port-au-Prince on 14 October]

[Excerpts] Yesterday, Haitian deputies ratified the appointment of Jean-Jacques Honorat as Haitian prime

minister. The choice of Honorat—a 60-year-old agronomist and head of a human rights organization, namely the Haitian Center for the Defense of Public Freedoms—was already approved on 12 October by the Senate of the Republic.

Haitian Prime Minister Jean-Jacques Honorat said Monday evening that the U.S. State Department has begun to withdraw its insistence that Father Jean-Bertrand Aristide be returned to power. Honorat, who was presenting his general policy declaration to the deputies, backed up this statement with the fact that, in its latest statements, the U.S. Administration only mentioned a mandatory return to the democratic norms in Haiti without quoting any name. Let us listen to a report by our colleague Philippe Bien-Aime on the presentation of the general policy of Haitian Prime Minister Jean-Jacques Honorat.

[Begin Bien-Aime recording] The Chamber of Deputies met in a significant session and ratified the choice of lawyer Jean-Jacques Honorat as the country's prime minister and cast a vote of confidence on him after he outlined the general policy of the government he will lead. This general policy is based on five major priorities: international relations between Haiti and other countries; hunger and poverty which the people are faced with; the problem of school opening; the problems of the Army and the police; and agriculture.

The prime minister said the country is in a deadlock but it is the responsibility of all Haitians to fight together in order to allow the country to move forward. As regards international relations, the Honorat government commits itself to taking all necessary steps in order to find a solution to the crisis that the country has been facing for 15 days by initiating dialogue (?in harmony) with all other countries in the respect of the Haitian people's freedom. The government is willing to respect all conventions, treaties, and agreements which Haiti has signed with other countries. [passage omitted]

Honorat's government will be concerned with solving the masses' hunger and poverty problems by initiating several building sites which will allow the government to create work requiring a great number of workers. The prime minister added that the private sector is ready to help the government with this. He announced that schools will open on 4 November and pointed out that the Education Ministry will meet with several sectors concerned with education in the country in order to create the economic means which will allow children to go to school. [passage omitted]

Even if the government cannot solve the problem of agricultural production in the country within three months, they will, however, do their best to solve the irrigation problem so that they can flush the canals. This project will allow them to create more jobs in the country so that the peasants can have some relief. [passage omitted]

Honorat asserted that his government would remain a government of dialogue with all the sectors of the national life and all the international partners for the establishment of an arena of balance and calm that will favor real hope for the Haitian people, but without kneeling down. The government will respect and enforce the law in the country. No one will be above the law. All public prosecutors and justices of the peace will need to be in tune with the justice that the government will champion. [end recording]

In his presentation, Jean-Jacques Honorat told the Haitian parliamentarians that democracy is not anarchy, but order for everyone and that order is defined by the law. In his talk, Honorat referred to words spoken by French Council President Paul Renaud who said in 1940: Defeating now is saving everything; succumbing is losing everything.

Cabinet Ministers Announced

FL1610010591 Port-au-Prince Radio Metropole in French 1600 GMT 15 Oct 91

[Text] The formation of the ministerial cabinet will soon be officially made public, say members of the prime minister's secretariat. Jean-Jacques Honorat has selected a 12-member governmental team. The head of the provisional government appeared in the Chamber yesterday accompanied by five ministers, and announced that only three posts remained vacant.

The names provided by the head of government include: Dr. Greger Jean-Louis, as minister of health and population; Gracia Jean, minister of interior and national defense; Joseph Desir, minister of national education; Antoine Leconte as minister of justice; and Henri Piquion as minister of information.

A source close to Prime Minister Honorat advises that he [not further identified] might also take the post of minister of foreign affairs.

Military Continues To Arrest Aristide Supporters

FL1610120691 Bonaire Trans World Radio in English 1130 GMT 16 Oct 91

[Excerpt] The Haitian military seems to be continuing their searches, seizures, and arrests of prominent supporters of ousted President Jean-Bertrand Aristide. Soldiers yesterday arrested businessman Antoine Izemery, a member of the coalition that brought Mr. Aristide to power last year. Witnesses say about 40 soldiers drove to Mr. Izemery's home in the Haitian capital Port-au-Prince and took him away without giving reasons or pressing charges. A military curfew remains in effect. Nobody is allowed out from 11 at night to 5 in the morning.

Haitian Prime Minister Jean-Jacques Honorat did not announce the rest of his cabinet to parliament yesterday as expected. Five cabinet members have been

announced, but sources say Mr. Honorat was having difficulty convincing qualified people to serve in the other posts.

The new interim government has also failed to gain recognition from member nations of either the Organization of American States or the United Nations, both of which continue to press for Mr. Aristide's return. [passage omitted]

De Ronceray Appeals to International Communities

FL1610030891 Port-au-Prince Radio Nationale in French 1700 GMT 15 Oct 91

[Report on press conference by Hubert de Ronceray, leader of the Mobilization for National Development, MDN, in Port-au-Prince on 15 October—recorded]

[Text] The Mobilization for National Development [MDN] party takes a position on the recent, 29 September to 1 October, events. According to MDN, the current political crisis was foreseeable. Observers and analysts had predicted a political explosion in Haiti in the autumn for three major reasons: complete economic failure resulting from a policy of division and destruction; the establishment of a totalitarian dictatorship through systematic violations of the Constitution and human rights; the creation of a mass Army to replace the regular Army.

MDN considers the lavalas government's seven months in power a total failure. The leadership team had no experience, no organization, no plan, and no program. Disappointment and discontent quickly spread through a majority which had been promised miracles, and which had only received an even more unbearable misery. These statements were made by MDN leader, Hubert de Ronceray, during a press conference this morning.

[Begin de Ronceray recording in Creole] [passage indistinct] The 67 percent of the votes they say he received in the elections gave him the right to do whatever he wanted: destroy, burn people by necklacing; disregard the Constitution; pit Haitians against one another; prevent political parties from expressing their opinions; assault deputies and senators and burn their houses; set fire to parliament, political and union offices. On 27 September, when Aristide returned from the United Nations, he basically declared anarchy throughout the country. [applause]

The third reason for the government's failure in its test is the attempt to dissolve the Haitian Army and replace it with a mass army such as VSN [acronym of the tonton macoute], which would be even tougher than the Duvalier corps. Article 263 of the Constitution stipulates that two branches comprise the public force: the Army and the police. No other corps is permitted. Aristide created a third force, named SSP [Presidential Security Service], which had begun killing civilians and burning military installations. The marriage [between the Army and the people] broke up.

Where does MDN stand regarding the sanctions against Haiti by the foreign countries? OAS was the first organization to take a strong position in asking for sanctions against Haiti. We heard about the possibility of a heavily armed foreign military coming to kill the Haitian people. We learned while we were abroad that the U.S. would stop all economic aid to Haiti and would discontinue trade. [end recording]

According to MDN, international reactions to the coup did not take long to filter in. The OAS began with a formal condemnation, threatening to interfere with a multinational military force. The United States, France, and Canada said they would freeze all economic aid to Haiti, and considered a commercial embargo until the restoration of the constitutional state. The UN Latin American-Caribbean Group asked for the discontinuance of all technical, economic, and military assistance to Haiti. MDN understands the concern of the international community to defend democratic principles, but MDN reminds the international community that the 16 December government did not honor the elections. The government used its electoral legitimacy to violate the Constitution and human rights, and to institute a totalitarian dictatorship. The recent events only proved Haiti's commitment to democratic ideology.

No clause in the charters of the international organizations authorizes an elected president to reduce his people to primitive barbarism, says Hubert de Ronceray. MDN is therefore calling on the OAS, the UN, the American, French, and Canadian Governments, and all countries freindly to Haiti, to closely observe the normal resumption of activities in the cities and the countryside, and to avoid hasty measures detrimental to the millions of poor who are expecting from the democratic oath something beyond misfortune. MDN reminds manufacturers; businessmen; political, socio-professional, and religious organizations; farmers; artisans; intellectuals; technicians; and all the productive sectors that, after 68 months of trial and error, Haiti is still searching for the decisive democratic key to its development. Thus is what the Mobilization for National Development, led by Hubert de Ronceray, concludes.

Conacom Denies Pro-Aristide Communique

FL1610004891 Port-au-Prince Radio Soleil Network in Creole 1116 GMT 15 Oct 91

[Text] The national secretariat of the National Congress of Democratic Movements [Conacom] advises the public, and the media in particular, that the communique broadcast yesterday morning was not issued by the party leadership. Conacom calls on its members inside and outside the country to reinforce organizational discipline and to refrain from making any statement without formal agreement from the head of the party. We are rescuing democracy, the current press release states, with lucidity and courage. Together and coolheadedly, we will change the situation. This press release is signed by Victor Benoit, Conacom secretary general.

The communique published yesterday in the capital alleged that Conacom had not participated in the formation of the current government, and favors the return of President Jean-Bertrand Aristide. The party's secretariat today denies having issued such a communique.

Army Issues Communique on Explosive Devices

FL1510172891 Port-au-Prince Radio Soleil Network in Creole 1116 GMT 15 Oct 91

[Communique issued by the Haitian Armed Forces [FADH] in Port-au-Prince; date not given]

[Text] A group of ill-intentioned people who are seeking to create a climate of panic in the country have been making explosive devices and have been issuing false FADH communiques using the FADH and the police letterhead. The Secretariat of the General Staff that has signed this communique says it is the people's duty to denounce all maneuvers aimed at threatening the lives and the properties of the citizens so that the FADH can apply with rigor all the provisions of the law.

The communique does not specify where and those people who have been making these explosives. As we know, over the past weekend, a leaflet in favor of Father Jean-Bertrand Aristide's return called on the people to make many Molotov cocktails which were intended to be dropped on the police and the military patrols cars.

El Salvador

Government To Propose 'Informal' Cease-Fire

PA1210135591 San Salvador Canal Doce Television in Spanish 0300 GMT 11 Oct 91

[Text] Oscar Santamaria, spokesman of the government's dialogue commission, said that on 12 October the government will propose to the FMLN [Farabundo Marti National Liberation Front] an informal cease-fire, to be verified by the United Nations. Santamaria said on the "Good Morning" program that this informal cease-fire would be tantamount to a military truce and would permit the United Nations to verify the fulfillment of agreements reached by the two sides.

According to Santamaria, the government's proposal for an informal cease-fire is aimed at reaching an agreement on what would be close to a military truce with the FMLN's armed forces. This new step in the negotiation process seeks to end the civil war. According to Oscar Santamaria, it would permit the United Nations to verify the agreements reached by the two sides and bring about the signing of a definitive cease-fire.

[Begin Santamaria recording] It would be an informal cease-fire. Without having to reach a formal final agreement, we think we can work on an informal cease-fire. That is the proposal we are taking to Mexico. [end recording]

Although the meeting might conclude with partial results, Santamaria said that it will bring the possibility of peace in the country closer. Santamaria, who is also minister of the Presidency, said that the points of convergence with the insurgents make possible the de-escalation of the war prior to the new meeting.

[Begin Santamaria recording] What must prevail in the end is the national or general interest, and the general interest is that of the Salvadoran people. The television viewer is right when he asks why should the people have to pay the consequences. We have almost always seen that it is the civilians who have had to make the greatest sacrifices, who have suffered casualties, lost property, and everything else. We say that this meeting in Mexico must give a firm reply to the Salvadoran people. We must tell the people we are bringing back an informal cease-fire agreement, de-escalating the war and violence. We must be able to tell the Salvadoran people that what they had been waiting for so long is finally here. [end recording]

The political-military government and the guerrilla leadership will begin a new round of negotiations in Mexico on 12 October. They will discuss the specific topics agreed upon at the United Nations on 25 September. Both the government and the rebels are optimistic, but they are both demanding political will to reach agreement on a cease-fire. For the time being, the government has taken the initiative to make this possible by revealing its proposal for an informal cease-fire.

Rebel Commanders Join Peace Talks in Mexico

PA1510201991 Mexico City Red Nacional 13 Imevision Television in Spanish 1300 GMT 15 Oct 91

[Report by Angel Armendariz from Mexico City]

[Text] While in El Salvador the war goes on and various sectors state their hope that peace agreements will put an end to a conflict that has been going on for more than 11 years, in Mexico, seven guerrilla commanders have joined the peace negotiations.

The peace negotiations taking place between the Salvadoran Government and guerrillas in Mexico City today entered a conclusive phase.

The United Nations has brought to Mexico City a team of military experts comprised of seven Salvadoran rebel commanders. They were transported in a special flight directly from the battlefields in El Salvador.

The fighters of the Farabundo Marti National Liberation Front immediately engaged in negotiations with their government counterparts amid very strict security measures.

Colonel Mauricio Ernesto Vargas, deputy commander of the Salvadoran Army Staff, has said that a cease-fire will go into effect as soon as a general peace agreement is signed.

[Begin Vargas recording] The Armed Forces do not carry out any offensive actions if the system is not attacked. Our strategy is not of an offensive nature. Our objective is the nation's military defense. Our mission is to defend the nation's legal and political institutions. [end recording]

Oscar Santamaria, the Salvadoran minister of the Presidency, has said that the atmosphere that prevails in the negotiations leads one to believe that significant progress will be made.

[Begin Santamaria recording] Violence and armed confrontations, have stopped. This is what is necessary for a cease-fire. Based on this, a number of situations could occur in El Salvador, and one of these situations could be, why not, the presence of FMLN representatives in El Salvador. [end recording]

FMLN Agrees To Discuss Definitive Cease-Fire

PA1610004391 Hamburg DPA in Spanish 2354 GMT 15 Oct 91

[Text] Mexico City, 15 Oct (DPA)—The Salvadoran guerrillas today accepted the government proposal to first negotiate a definitive cease-fire to the military conflict, relegating to second place the proposal by the guerrillas for a truce or an "informal cease-fire."

During a recess in the fourth day of the peace talks being held in Mexico City, Commander Joaquin Villalobos, one of the highest leaders of the Farabundo Marti

National Liberation Front (FMLN), said that the rebel proposal for an "informal" cease-fire has not been ruled out completely.

Nevertheless, he clarified that the FMLN has accepted the position of the government delegation of first discussing the concept of a definitive halt to the military confrontation, and then, "in the course of the negotiations, to see if it is possible to implement a type of informal cease-fire."

The topic of a cease-fire occupies a prominent place on the agenda of the negotiations between the Salvadoran Government and the guerrillas. To date, the two sides have had different views on a cease-fire.

The FMLN came to Mexico with the intention of proposing what it calls an "informal cease-fire," which would involve a halt to all military operations by both sides as a step prior to reaching a formal agreement to end the war.

Oscar Santamaria, the chief government negotiator, confirmed today that the two sides have agreed to discuss the definitive end of the military conflict, although he did not exclude the possibility that they might agree on the "de-escalation" of the war, in other words, a mutual commitment to reduce the level of violence.

The guerrilla leaders have expressed the view that the war must be stopped now, before waiting for the conclusion of the negotiations, and they have proposed an immediate agreement on a truce or what they call an "informal" cease-fire.

Alvaro De Soto, UN mediator in the talks, explained that the government and the FMLN have agreed to "link together" the discussion of the topic of a definitive or "formal" cease-fire and the idea of a truce or an "informal" cease-fire.

Nevertheless, the UN representative indicated that an "informal" cease-fire requires drawing up "rules of the game;" therefore, he believes that the verification of a provisional halt to the armed conflict is "difficult."

Although the two sides in the conflict have reiterated their assessment that the negotiations are going well, Commander Villalobos once again reported the "heavy bombings" that the Salvadoran Air Force has conducted in the past few days against rebel positions in the area of the Guazapa volcano, one of the bastions of the guerrillas.

According to the FMLN leader, these actions show that an important sector within the Army maintains "a position against the negotiations," a position that goes against the New York Agreements signed in September. That agreement serves as a framework for this final phase in the process of the Salvadoran peace negotiations.

Vice President Against FMLN-Proposed Truce

PA1510222891 Panama City ACAN in Spanish 2104 GMT 15 Oct 91

[Text] San Salvador, 15 Oct (ACAN-EFE)—Salvadoran Vice President Francisco Merino said on 15 October that the government is not willing to accept the military truce the guerrillas will propose in the peace talks being held in Mexico since 12 October.

Merino explained to the press that the government wants to reach a definitive cease-fire, not a truce, which could help the Farabundo Marti National Liberation Front (FMLN) guerrillas "resupply and improve their equipment."

Peace Commission Regrets Violence, Issues Appeal

PA1510234091 San Salvador Radio Cadena YSKL in Spanish 1200 GMT 15 Oct 91

[Report by Elder Osvaldo Gomez]

[Text] The Permanent Committee for the National Debate, CPDN, issued an appeal to the FMLN [Farabundo Marti National Liberation Front] and the Armed Forces, urging them not to conduct military actions while a cease-fire is being negotiated in Mexico City.

CPDN Coordinator General Edgar Palacios deplored the renewal of the rebels sabotage against the national power system, although the actions represent a reply to the counterinsurgency operations the Army is conducting in zones under the control of the rebels.

[Begin Palacios recording] We believe that this is not what should be done. Now is the time to lower the level of violence. That is why we do not believe that the FMLN's proposal for a truce is strange or negative. The negotiations should be held in an atmosphere in which the parties—meaning both the FMLN and the government—do not conduct offensives that affect and injure the civilian population. [end recording]

The CPDN stated its satisfaction about the creation of the National Commission for Consolidation of Peace, Copaz; adding that the organization must remain in the country. The government opposed the commission's installation in the country; arguing that the guerrilla members who comprise it will be outlaws as long as the FMLN does not stop its hostilities.

[Begin Palacios recording] We would like Copaz to start its activities here in El Salvador. [end recording]

The civic organization intends to send a commission to Mexico City to gather information on the results of the meetings. The CPDN urged the Copaz members not to adopt joint positions that may obstruct the achievement of peace in the country.

Rebel Sabotage Increases Power Rationing

PA1510233791 San Salvador Canal Doce Television in Spanish 0300 GMT 15 Oct 91

[Text] Colonel Sigfredo Ochoa Perez, president of the Lempa River Hydroelectric Executive Commission [CEL], announced on 15 October that the duration of power rationing will be increased to six or seven hours. According to Ochoa Perez, this decision had to be adopted because of guerrilla sabotage operations that resulted in the destruction of five primary lines.

[Begin Ochoa recording] It is possible that some regions will have six or seven hours of power rationing due to Farabundo Marti National Liberation Front [FMLN] sabotage. [end recording]

Col. Ochoa Perez said that rationing is necessary due to recent FMLN sabotage that has damaged five primary lines and seven power towers. The five damaged lines have forced increased rationing. This damage means also that the water retained in the 5 November and 15 September dams cannot be used to generate electricity.

[Begin Ochoa recording] We were happy that we were able to reduce the power rationing period because we were operating the 5 November and 15 September dams efficiently, however, if the lines are out, we have to let the water flow to avoid a flood. [end recording]

CEL's San Antonio Abad substation was damaged on 13 October when FMLN rebels fired at least eight homemade mortars at it. The power rationing will go into effect on 15 October and will be implemented until the five primary lines are repaired, Ochoa Perez said.

FMLM Increases Sabotage Actions in Capital

PA1610034691 San Salvador EL DIARIO DE HOY in Spanish 15 Oct 91 p 2

[Text] In an operation "to show their presence," the FMLN [Farabundo Marti National Liberation Front] terrorists have increased their sabotage actions in different parts of the capital, a woman, apparently linked to that group, said on 14 October.

In Santa Tecla, the FMLN terrorists intercepted or deviated from its route, a 203 public transportation bus that runs from Sonsonate to San Salvador, forcing the driver to drive onto a heavy traffic roadway and then they shot the tires, thereby blocking traffic. This incident took place at 0600.

A few minutes later, in Merliot City, a neighborhood between Santa Telca and San Salvador, another terrorist group intercepted another urban service bus and forced the driver to block the road with the bus, stopping all traffic. The terrorists then placed signs with FMLN slogans.

At 0800, the police was advised that in Cuscatlan Park there were some explosive devices. When the authorities arrived, several dynamite sticks were found that subsequently were defused.

In the afternoon, on Los Heroes Boulevard between 3d and Poniente Streets, a terrorist group forced the driver to block the road with his bus and then they shot the tires. Traffic was blocked for several hours by the bus. It was learned that the police arrested one of the women who was part of the group.

Nicaragua

Military Operation Against Recontras Ordered

PA1210003591 Paris AFP in Spanish 1843 GMT 11 Oct 91

[Report by Lidia Hunter]

[Text] El Ayote, Nicaragua, 11 Oct (AFP)—AFP has been able to confirm in this town 250 km northeast of Managua that Violeta de Chamorro's government launched this week the first large-scale military action, with intense troop movements, against the former armed rebels. This is the first action against the rebels since the Sandinists left power in April 1990.

The operation had been kept almost "secret" until now, despite the fact that it has been going on for three days after it was personally ordered by the president and chief of the Armed Forces. According to area residents, the operation involves approximately 400 soldiers. Residents are shocked by the sight of what they believe is the beginning of another war.

Five helicopters constantly fly over the area transporting troops, heavy weapons, ammunition, stretchers, doctors, and supplies to El Ayote in Chontales Department, where the troops are stationed.

The Army installed a provisional base in El Ayote to search for a group of rearmed men who captured, disarmed, and held for three days a group of 30 soldiers on 4 October. The 30 soldiers were part of the last stage in the national disarmament process, aimed at seizing approximately 100,000 arms from the population.

The capture of the soldiers on 4 October was denied and later confirmed by Army Spokesman Ricardo Wheelock.

The provisional base, which was installed near the town, is protected by antiaircraft equipment and is constantly under troop surveillance for fear of a possible attack by the recontras.

However, peasants in the area told AFP that the recontras have returned to the mountains.

Military commanders have admitted only that the operation is in progress and that its main objective is recovering weapons seized from the Army by the recontras. Journalists, however, have been denied access to the area of operations.

The action by the recontras in El Ayote, which did not result in any casualties because the soldiers did not offer any resistance, is viewed by political analysts as a challenge to the president's authority.

The Army operation is almost an official recognition of the deterioration of state authority, according to critics of the Chamorro government.

President Chamorro until now has met the escalation of armed violence with dialogue and negotiation. But the recontras, who began by demanding land, now insist on the dissolution of the Army, which has roots in the previous Sandinist government.

After the war ended in June 1990, Chamorro ordered the reduction of the Army from 80,000 to 21,000 soldiers; began disarming the population; and created a National Security Commission.

However, in El Ayote, former contra commander "Siete Leguas," who fought against the Sandinists for eight years and is currently a businessman, told AFP that the rebels "will not lay down their weapons" until President Chamorro fulfills her promises.

"Siete Leguas," who is now disarmed, said that although he has no intentions of rearming, if the government fails to comply with its promises "peasants will go to the mountains" as we did at the beginning of the war between contras and Sandinists.

He added that "war is beginning in Nicaragua," but "we have a lot of experience" in combat and "this time we will win."

Sebastian Hernandez, a contra supporter, said that "the Army continues committing mistakes" against peasants adding that "the situation will start heating up" with this operation "and will not cool down."

The statements by "Siete Leguas" and Hernandez, and the fears expressed by peasants in El Ayote, are a clear warning to Violeta Chamorro's government of the imminent danger of a new war in this Central American country, which is still recovering from a recent military conflict between the contras and Sandinists.

New Party Tries To Obtain Legal Status

PA1510034791 Managua LA PRENSA in Spanish 11 Oct 91 p 2

[Report by Roger Suarez M.]

[Text] The Nicaraguan Resistance Party [PRN] was created on 10 October in a room at a house near kilometer 10.5 of the road to Masaya. The group of men involved in its creation said the PRN will become one of the country's strongest political movements.

Former members of the northern, southern, central, and Atlantic fronts of the Nicaraguan Resistance form part of the party's leadership. The party is trying to obtain legal status from the National Council of Political Parties [CNPP].

"The PRN is an essentially democratic and nationalist political organization, dedicated to placing the benefits derived from the ideals of freedom at the service of the nation's highest interests," the first paragraph of the party's Declaration of Principles stated.

"We have decided to form this party because we feel that the other 14 political parties do not represent us," PRN Foreign Relations Secretary Jose Rivas Ruiz told LA PRENSA. Ruiz is a former northern front commander who lost a leg when he stepped on a mine as he led a task force in the Chontales area.

The PRN has elected a provisional board of directors headed by Luis Angel Lopez, "Leonel," as president; Luis Fley, "Johnson," as secretary; Jose Rivas, "Jose," as foreign relations secretary; Hector Sanchez, secretary of ideology; Roger Herman, treasurer; William Castellon, secretary of organization; Joel Valdez, grievance officer; Norel Rivera, legal adviser; and Jorge Avalos, public relations officer.

Luis Angel Lopez, former commander "Leonel" of the southern front, said: "We are forming the PRN because the former combatants demand a political party. This does not mean we are going to exclude those who are not former fighters."

He added: "We receive calls daily asking if we have the membership cards ready because they want to fill them out as soon as possible."

The PRN's leaders are optimistic that it will become one of the country's strongest parties "because just for starters, we will have more than 30,000 former combatants in the party, in addition to their relatives, people who are returning from exile, and others who have always supported our cause," Luis Fley, commander "Johnson," enthusiastically stated.

"Our struggle was not solely for a plot of land, but against everything the Sandinist ideology meant, an ideology that was opposed to ours," Fley stated while getting comfortable on a bed that also served as a seat for people visiting him at his improvised office.

In its Declaration of Principles, the PRN advocates equality among individuals, freedom, and the strengthening of justice. It also rejects totalitarianism and proposes the creation of a democratic and nationalist state of law.

It identifies itself with the poor and supports social justice.

Because of the large number of former combatants and sympathizers, the PRN leaders say they are not worried about meeting one of the requirements set by the CNPP to be granted legal status. The requirement, which causes problems for other parties, is that the party must have local boards of directors in all the country's municipalities.

The PRN leaders' position on the rearmed groups that operate in the country's northern and central regions "is of support for their demands, although we believe that at this time there are more appropriate forms of struggle, such as, for example, struggling as a political party," PRN President commander "Leonel" stated.

The PRN leaders indicated that they are receiving help from professionals and intellectuals in drafting the party statutes and Declaration of Principles, documents that are almost ready to be submitted to the CNPP.

Respect for human rights and the sovereign self-determination of peoples stand out among the points already drawn up in the Declaration of Principles.

Regarding private property, the declaration indicates that it is not a privilege or concession by the state but a basic human right.

"Private property is subject to the fulfillment of social functions and can be used to fill priority public needs as long as fair and opportune compensation is given to its legitimate owner," another section of the PRN Declaration of Principles states.

Ortega Sends Fidel Castro Message of Support

PA1610034491 Managua BARRICADA in Spanish 15 Oct 91 p 5

[Letter from Daniel Ortega, secretary general of the Sandinist National Liberation Front, to Cuban President Fidel Castro, in Managua on 13 September]

[Text] Comrade Fidel Castro Ruz, first secretary of the Politburo of the Central Committee of the Communist Party of Cuba, president of the Councils of State and Ministers.

Dear Fidel: On the occasion of the Fourth Congress of the Communist Party of Cuba, we, Sandinists, accompany the militants of the party of Marti, Marx, and Lenin, certain that, in the midst of the darkness that imperialism and capitalism want to impose on mankind, the combative spirit, strength, and hope that is the light of the oppressed of the world will shine.

Today, Cuba is holding its fourth congress, resisting with heroism the imperialist onslaughts, embargoes, threats of armed aggression, and all sorts of unlawful actions to try to subjugate the Cuban people.

Sandinists, Nicaraguans, Latin Americans, and people of the North and South of our planet that are faithful to the ethics of justice and liberty, are waging, alongside the courageous Cuban people, this unequal struggle. This struggle is one in which the powerful have the force of atomic weapons and accumulated capital by bringing about hunger, unemployment, infant mortality, and the destruction of the planet, the most brutal forms of oppression and exploitation of mankind.

Strongly rising in front of this wicked force is the force of reason, which is the force of truth and of a future where an unselfish and fraternal world filled with love and true pacificism will prevail once and for all.

Fraternally, [Signed] Daniel Ortega Saavedra

EPS Continues Manpower, Budget Cutbacks

PA1510233091 Managua Radio Sandino in Spanish 1200 GMT 14 Oct 91

[Text] The Sandinist People's Army [EPS] has been left with 21,000 soldiers and continues to reduce its manpower. In 1988, the EPS had 91,000 men, however, as part of the Nicaraguan peace process, it has been reduced to 21,000 men.

Colonel Javier Carrion, second chief of the EPS General Staff, told the "Events" newscast that the EPS has 21,000 men. Carrion said that this is part of the Armed Forces reduction process. In 1990, the central government reduced the budget of the EPS and this year there is a campaign by certain UNO [National Opposition Union] deputies to reduce it even further.

While the EPS is reduced, reports continue on abuses by pirate fishing boats on the Nicaraguan seas, especially in the Atlantic. Meanwhile, the Sandinist Navy lacks the necessary equipment to prevent this. In addition, there are also reports of cattle contraband into Costa Rica and Honduras due to insufficient border surveillance. Currently the EPS and the police are implementing a disarmament plan to encourage security, especially in rural areas.

Argentina

Government Not Interested in Cuban Sanctions

PY1510171491 Buenos Aires NOTICIAS ARGENTINAS in Spanish 2054 GMT 14 Oct 91

[Text] Buenos Aires, 14 Oct (NA)—President Carlos Menem said today that Argentina "has no interest" whatsoever in assisting possible economic pressures against Cuba as proposed by a congressman in the U.S. Congress.

"Fidel (Castro) will die across his banners regardless of the pressures," said President Menem, answering reporters' questions after his speech at the international congress on cellulose and paper.

Menem added: "We have not forgotten that Cuba owes us more than $1 billion."

The recent Argentine stance at international forums was that of following the U.S. initiative of investigating the situation of human rights in Cuba.

During the Ibero-American assembly in Mexico this year, Menem was outspoken in his criticism of the lack of democratic liberties in Cuba, and exchanged accusations with the Cuban prime minister, who was one of the chiefs of states invited to the forum.

Di Tella Comments

PY1510154891 Buenos Aires TELAM in Spanish 1902 GMT 14 Oct 91

[Text] Buenos Aires, 14 Oct (TELAM)—Replying to a question on the draft bill that will establish regulations for trade with Cuba that has been submitted to the U.S. Congress, Argentine Foreign Minister Guido di Tella said today: "What we do or do not do is a sovereign Argentine decision."

Di Tella told TELAM: "I am aware of this bill, which is nothing but a bill. We will follow a policy based on our own interests."

He said: "We are closely following the decisions made by other countries. We think that the embargo imposed on Cuba is a decision made in the past and, just like old policies that still prevail in Cuba, it should be changed."

Di Tella commented: "The move to reintegrate Cuba into the American system is desirable as long as it accepts a qualitative change in its policies like those that happened in Latin America, where countries have gradually democratized."

Concerning the situation in Haiti, Di Tella said: "The blockade is beginning to be felt in the country, but it will take one month to become fully affective."

He reiterated that the situation in this country is "very unfortunate." He stated: "Argentina has expressed a very clear position," adding "we regret the fact that the OAS has not made a decision despite the fact that changing the OAS Charter to adopt all possibilities entails a complicated process."

He said: "This does not mean that one wants to implement all options, merely the most obtrusive—like the embargo—which would be more effective if all the other choices were available."

He added: "Anyway, Argentina categorically supports the resumption of a democratic system in Haiti. We are concerned about this situation, not just for the Haitians themselves, but because of the effect this situation could have on other Latin American countries, including Argentina."

Asked whether the measures taken against Haiti could form a precedent for meddling in a country's domestic affairs, he said: "Argentina's traditional noninterventionist policy, especially regarding Latin American countries, responded specifically to U.S. interventions in Central American countries."

He added: "We are now dealing with a very different concept. We are dealing with the OAS, which includes 34 countries."

Foreign Ministry Official Assesses PRC Visit

PY1610000091 Buenos Aires TELAM in Spanish 2225 GMT 14 Oct 91

[Text] Buenos Aires, 14 Oct (TELAM)—Returning from the PRC, Zelmira Regazzolli, Foreign Ministry under secretary for human rights and women's affairs, said that there are interesting prospects for bilateral investment with the PRC, which, 10 years ago, promoted an economic opening that turned it into an economic power.

Regazzolli said: "The visit showed us that if we do not 'adapt' to the changes taking place in the world, we will be left behind by events." She led a delegation of women that was officially invited by the PRC Government to learn about the changes taking place in that country and the possibilities it can offer Argentina.

She recalled that the PRC's economic opening, which began in 1980, was promoted by former Communist Party of China Secretary General Deng Xiaoping. He established five special economic zones—this has since increased to 14—such as Canton, Shanghai, and other coastal locations, where foreign investment was granted security.

She said: "This situation improved the Chinese people's standard of living." The PRC is one of the greatest nations, with over one billion inhabitants. It is ruled by a communist system that has adopted a new form of socialism with economic opening.

Regazzolli said the capital that had left the PRC is returning to that country. She noted that the individual responsible for this opening was Deng Xiaoping, who, through implementation of a "pragmatic" policy,

allowed the PRC to resume relations with the United States in 1978 and to join the IMF and the World Bank in 1980 in order to begin the economic opening.

The delegation visited the open economic zones, where 93 percent of the exports are concentrated. One of these zones is Zen She, an old fishing port near Hong Kong; it is currently an economic power with an amazing increase in its gross domestic product.

She said: "Great investments are being made in these open economic zones. They receive capital from the United States, Japan, Canada, the EEC, Australia, New Zealand, Taiwan, Thailand, Hong Kong, etc." She admitted that Argentina has not yet invested in the PRC, but it has paved the way to encourage mutual interest. The results of this opening are also benefiting the PRC interior, "which is going through a very important reconversion process." One example shows the significance of the changes in the PRC: A high technology company that manufactures computers is made up of 93 foreign enterprises and 10 multinational ones.

She said that women who have been trained and work like men play an important role in the economic opening. She said: "47.3 percent of the budget is allocated to education and local scientists and researchers are accorded the same guarantees given to foreigners. Out of every 20 experts who graduate from universities, 19 go to the open economic zones."

As for possibilities for Argentina to invest in the PRC, Regazzolli said that there are great possibilities for promoting bilateral cooperation. She said: "The first question they asked me was about the labor laws currently in force in Argentina. Contacts have been made so they can come to Argentina. There are possibilities for investment in all areas, but they ask for guarantees."

Regazzolli said that she visited cities and rural areas, and that she has come to the realization that the PRC is a happy nation that understands the need to implement family planning (one child per couple), as well as the need to accept foreign capital. She said: "The reconversion process can be seen everywhere—in rural areas and in universities—and it is also reflected in outstanding cultural change."

She added: "Although Argentina is far from the PRC, it should learn about these changes." She said she would like "labor union leaders and politicians to visit the PRC to convince themselves that President Carlos Menem's statements are true when he talks about the need to 'adapt' ourselves to the changes taking place in the world, including the Soviet Union."

The delegation attended a luncheon in Beijing to mark the 42d anniversary of the PRC revolution. Premier Li Peng and more than 1,000 guests also attended the luncheon.

The delegation was made up of six women: Zelmira Regazzolli, who led the group; Deputy Irma Roy; Judge Delfina Borda de Radaelli; Dolores Dominguez, Buenos Aires municipality under secretary for women's affairs; Foreign Ministry Director Noemi Haristegui; and journalist Graciela Leones from La Pampa.

Menem on U.S. Treasury Secretary's Speech

PY1510150291 Buenos Aires NOTICIAS ARGENTINAS in Spanish 1010 GMT 15 Oct 91

[Text] Buenos Aires, 15 Oct (NA)—President Carlos Menem said that the fact that Argentina was not mentioned in the speech by U.S. Treasury Secretary Nicholas Brady as one of "the admirable examples" of foreign debt solutions, "may have been because he forgot."

Thus was President Menem's reply to journalists who asked him about Brady's speech in Bangkok where he openly praised Mexico, Chile, and Venezuela for "clearly leaving behind" the foreign debt problem.

"It may have been because he forgot. Besides, we do not depend on Brady, we depend on what we have done and I think that we are one of the countries that offers the best legal security for foreign investments," the chief of state said after dedicating the second National Paper and Cellulose Congress in a downtown hotel in Buenos Aires.

Regarding his upcoming trip to the United States next month, Menem said that the bilateral relations with that country are [words indistinct] optimum, at an excellent level." [quotation marks as received]

"Not just the relations between the two countries but also those between the two presidents," Menem said, adding that this is a "historical" trip given the current situation in Argentina.

Menem said: "All the economic measures being implemented will allow Argentina to join the Brady Plan, as long as we do things well like Mexico, among other countries."

In order to join the Brady Plan, Argentina hopes to obtain a $3 billion expanded financial facilities credit over the next three years, the president said.

"Everyone already knows our government proposal for reforming the state," he said. This money will allow "fast and decisive economic growth which will improve the social aspect," the president added.

Regarding the controversial subject of the remodeling of seven airports in Argentina, Menem said that the government still does not know "which company will do the work." The remodeled air terminals will "encourage tourism in Argentina."

Regarding possible changes in the method of electing senators for the federal capital, Menem said: "I agree with the changes, senators should be elected by the municipal legislature, and the mayor should be elected by the people in the capital."

Radical Candidate Wins Chubut Governorship

PY1410205091 Buenos Aires BUENOS AIRES HERALD in English 14 Oct 91 p 1

[Text] Rawson (NA-DYN)—Radical candidate Carlos Maestro won the second run-off election for the Chubut governorship yesterday, beating Peronist Osvaldo Sala by 51.8 to 45 percent of the vote, with 55 percent ballots counted at press time.

The forty-five-year-old Radical Party lawyer, who ran neck-and-neck with Sala in the opinion polls, beat the Peronist slate by a wide margin despite strong campaigning in this province by Economy Minister Domingo Cavallo and Interior Minister Jose Luis Manzano.

"Government ministers can't come down here and tell us how to vote," Maestro told a large group of supporters after his victory was announced.

In the September 8 mid-term polls, the combined Peronist tickets won 51.5 percent of the vote. But Sala, the most-voted Peronist candidate, failed to gain more votes alone than the 31 percent obtained by Maestro. According to the particular style of the lemas law (combined primary election system) in force in Chubut, this situation calls for a run-off election.

The Justicialist Party swept the September 8 vote, winning nine of the 13 districts that went to the polls on that date. Earlier, on September 8, the Peronists clinched an upset victory of independents in San Juan and also confirmed its leadership in San Luis. So far the Radicals managed to keep the provinces of Rio Negro, Cordoba and the federal capital while the Neuquen Popular Movement was re-elected in that province.

Menem on Electoral Defeat

PY1510011891 Buenos Aires TELAM in Spanish 1907 GMT 14 Oct 91

[Quotation marks as received]

[Text] Buenos Aires, 14 Oct (TELAM)—President Carlos Menem said today that the electoral defeat the Justicialist Party suffered in Chubut Province, where elections were won by Radical Party candidate Carlos Maestro, "was among the possibilities that we were considering." The president added: "I don't see why an electoral defeat should distress us."

Menem said he is confident that from his province, Maestro will contribute to "Argentina's development and growth," adding that based on the outcome of the elections "these are the expectations that we should have."

The chief of state made these remarks during a news conference at the Plaza Hotel in this capital, where he opened the second International Congress of Cellulose and Paper.

Menem said the elections "were a great victory for the winning candidate and a contribution to democracy." Asked about Raul Alfonsin's decision to refuse to run again for president of the Radical Civic Union [UCR], Menem said the former president "resigned his post within the party but did not abandon politics." He said that Alfonsin is "a man of democracy."

In this regard, he said that "a leader can resign a post, titles, or honors, but he can never resign politics. The cycle of true politicians ends only when one is taken to the land of no return," he said, clearly alluding to death.

Asked about the social situation in Jujuy Province, Menem said that it is returning to normal because "state workers in particular are returning to work."

Menem said that he will not visit Jujuy simply because he decided to avoid visiting provinces in which the party slogan law is in force, "to avoid supporting a candidate to the detriment of another one." My concern centers around another topic. We are organizing my visit to the United States," he said.

Asked about the situation of Somisa [Argentine Iron and Steel Joint Association], Menem said that employees "are receiving compensation payments and efforts are being made to create new jobs."

He said that "to preserve many jobs, we decided to streamline enterprises through voluntary resignation, earlier retirement, or dismissals, paying compensation in order to preserve the remaining jobs."

Menem issued a warning on the march Somisa workers will stage tomorrow: "There is no problem. It is permitted by law. But 'woe betide' those who cause disturbances and damage property."

In this regard, the president said the responsibility lies with the march's sponsors, "who will have to account" for any disturbances. He said that to block highways and seize state offices is a federal crime. We will be firm," he said.

Bolivia

Paz Assesses Importance of Trip to Japan

PY1410233891 La Paz Television Boliviana Network in Spanish 1700 GMT 14 Oct 91

[Text] President Jaime Paz Zamora will be leaving for Japan in a few minutes. Before leaving for the airport the president held a news conference and talked about the country's political, social, and economic situation.

The president discussed the purpose of his trip to Japan with reporters. Bolivian interest, he said, centers more on long- and medium-term projects to build the Bolivia we all want rather than in short-term programs.

[Begin Paz recording, in progress] ...in the association of Pacific zone countries, within the framework that Japan

proposes. I would say that it is something that Japan is promoting to mark the borders of what it considers its world, its world of political and business relations, etc. What is important is for Japan not only to support the entry of Bolivia into the association of Pacific zone countries but to propose it as well. This is not something that will benefit Bolivia in the short term. It is something that will allow us to enter the club of Pacific Ocean countries. Trade in the Pacific area today is as large as trade in the Atlantic area. Everything indicates that the Pacific region will leave the Atlantic far behind in economic and trade relations in the 21st century.

In Europe, the great trade routes began in the Mediterranean. Then we had the Atlantic routes starting in 1492 and for the last 500 years. But now we are living through a process that will turn the Pacific Ocean into the largest commercial area. This is a strategic objective for Bolivia, which it is not using its Pacific Ocean coasts. But Pacific Ocean countries consider that we belong to this ocean. This is very important and one of my trip's objectives.

This trip to Japan has three dimensions. Some aspects are of short-term interest. We need to consolidate the financing for the Patacamaya-Tambo Quemado highway. We need to begin construction of that highway at the beginning of next year.

There are also medium- and long-term objectives. This is what is interesting. We are working on our foreign relations without the urgency of short-term needs to solve problems in a year or two. We have begun wearing long trousers in the international arena. We are working on short-, medium-, and long-term projects. One of the characteristics of my trip to Japan is that I am concerned more about medium- and long-term projects. This is precisely because Japan is a country that will become increasingly stronger in the medium and long term. [words indistinct] The benefits are not for this government, or the next one; they are for Bolivia, the ever-present Bolivia. That is the importance of my trip.

Those who believe that the president is traveling with an empty suitcase to fill it up with money in Japan are missing the point. I am surprised at the figures the media is reporting. I do not know where they come from. I can tell you, however, that what we are trying to consolidate is a $135 million loan. This is our most immediate and short-term goal. A little more than half of this amount is in the form of special credits with 40 years maturity and 0.75 percent interest. And our purchases abroad do not have to be made in Japan. These are very soft credits to finance a series of projects. Then, $50 million of the total of $135 million is donations, or nonrefundable cooperation. This type of cooperation is very important for Bolivia. Let us mention that this cooperation will be completed with machines to build country roads in the departments. I will deliver $5 million worth of machinery as part of this package in Potosi on 1 November. This type of Japanese cooperation will also be involved in other road programs to maintain our main highways. [end recording]

Departure Reported

PY1510131291 La Paz Television Boliviana Network in Spanish 0200 GMT 14 Oct 91

[Excerpt] According to the official schedule that was issued today by the Bolivian Foreign Ministry, President Jaime Paz Zamora will carry out extensive activities during his official trip to Japan.

At noon today, President Paz boarded the presidential plane that took him to Santa Cruz and then to Sao Paulo [Brazil]. From there he will head for Tokyo, Japan, aboard a regular Varig flight.

Before boarding the plane, President Paz reviewed troops of the Los Colorados de Bolivia Battalion at the El Alto International Airport. He was seen off by cabinet members; the Chamber of Deputies president; the Senate president; and Vice President Luis Ossio Sanjines.

Minutes before his departure, Paz talked with journalists:

[Begin recording] I would like to tell you that, as always, an official trip is a time for deep reflection for the president since he is representing the country and the hopes of all Bolivians to achieve development.

This is a very important trip because we will visit one of the two world financial powers. This signifies a new stage in Bolivia's international affairs. We have already visited many countries in the Americas, starting with the United States and neighboring Latin American countries. We have also established strong ties with European countries. We are starting today a Bolivian offensive in Asia by visiting Japan, which is the most important Asian country. [end recording]

Paz' entourage includes Foreign Minister Carlos Iturralde, Planning Minister Samuel Doria Medina, and Finance Minister David Blanco. Medina and Blanco will join the presidential entourage in Tokyo, since at present they are in Thailand. [passage omitted]

Senate Communique Condemns Coup in Haiti

PY1110133091 La Paz EL DIARIO in Spanish 3 Oct 91 p 5

[Text] The Senate has rejected the discontinuation of the democratic process in Haiti and the coup against the constitutional government of President Jean-Bertrand Aristide.

The Senate issued yesterday a communique, which was unanimously approved by the chamber presided over by engineer Guillermo Fortun Suarez.

The communique reads as follows:

"Whereas:

A military coup staged in Haiti on Monday, 30 Sep 1991, replaced constitutional President Jean-Bertrand Aristide, who had been elected by a majority in free elections;

The world democratic community has rejected the bloody break in the Haitian democratic process.

Faithful to its traditional allegiance to the principles of freedom, order, and respect for the law that are provided for in the Constitution, Bolivia, which is living a democratic process through the free will of all its citizens, hereby declares—as an expression of its democratic feelings—that it rejects the bloody breaking of the democratic process in the sister republic of Haiti."

Military Concludes Regional Antidrug Operations

PY1210205491 Madrid EFE in Spanish 2116 GMT 11 Oct 91

[Text] La Paz, 11 Oct (EFE)—Reportedly, on 11 October, troops from Manchego Regiment concluded antidrug operations in Angel Sandoval Province, Santa Cruz (Department), and returned to their barracks in Montero.

Since 2 October, Manchego Regiment soldiers who were trained in antidrug tactics by U.S. officers between May and July have been participating, for the first time, in an antidrug operation in support of police personnel and U.S. DEA agents.

The objective of the operation was Sandoval Province in the extreme eastern region of Bolivia on the border with Brazil, where officials believed clandestine cocaine laboratories existed.

The government has reported that three laboratories, two clandestine landing strips, and communications equipment were destroyed during the eight-day military and police operation.

Brazil

Pope John Paul II Arrives; Greeted by Rezek

PY1310003291 Rio de Janeiro Rede Globo Television in Portuguese 2300 GMT 12 Oct 91

[Excerpt] Pope John Paul II returned to Brazil 11 years after his first visit to the country. He will visit 10 capitals in nine days. It was getting dark when the pope got off the airplane in Natal, Rio Grande do Norte. The Italian plane's lights announced the pope's arrival in this capital. The Boeing 747 landed at the Air Force base just one minute after the scheduled time. The 54 journalists accompanying the pope were the first to get off the plane. Then, the pope walked down the plane's steps and, as in his first visit to Brazil, kissed Brazilian soil.

Foreign Minister Francisco Rezek represented President Fernando Collor in welcoming the pope. Also present at the airport were Rio Grande do Norte Governor Jose Agripino Maia and CNBB [National Conference of Brazilian Bishops] President Dom Luciano Mendes de Almeida. [passage omitted]

Collor Might Replace Economy Minister Moreira

PY1210000891 Sao Paulo O ESTADO DE SAO PAULO in Portuguese 11 Oct 91 p 4

[Report by Raymundo Costa]

[Text] Brasilia—President Fernando Collor already is thinking about replacing Economy Minister Marcilio Marques Moreira, whose image has deteriorated in Planalto Palace, together with that of the economic team that brought him to government. Collor discussed this issue early this week in Brasilia with Senator Fernando Henrique Cardoso (Sao Paulo), leader of the PSDB [Brazilian Social Democratic Party] in the Senate. Deputy Jose Serra [PSDB for Sao Paulo] continues to be Collor's favorite candidate for this post. However, if Serra turns down the offer again, Collor might again summon the old team, excluding former Minister Zelia Cardoso de Mello, but headed by economist Antonio Kandir and Eduardo Teixeira.

Collor's meeting with Fernando Henrique was confirmed by three different sources, one of them closely linked to the president. Henrique and Serra traveled yesterday to New York, where they will attend a Brazilian-U.S. Chamber of Commerce dinner party.

Before summoning Marcilio to replace Zelia, the president invited Serra to fill the post, but he turned down the offer because he felt there were no political conditions for the Economy Ministry to perform successfully. This week's meeting is not the first one held by Collor with Fernando Henrique; however, after it took place, PSDB President Tasso Jereissati said that if he were the president, he would not hesitate to name Serra economy minister—a clear sign that despite the unsuccessful negotiations regarding the government's package of constitutional amendments, the PSDB is allegedly still willing to participate in Collor's government.

The deterioration of Moreira's image within the government was detected by some of Collor's aides and leaders within Congress. Collor, according to these aides, said he is "disappointed" with the minister's performance. The legislators, who on 8 October attended a meeting with the economic team at Planalto Palace, were surprised by the way—harsh—the president treated the minister and the remaining team members.

At one point in the meeting, the president sounded impatient about the fact that the economic team has not concluded the tax reform draft and said that there was no reason for a meeting if the draft wasn't ready. One legislator at the meeting commented later that he was relieved he was not one of Collor's "subordinates" and only a guest at the meeting. Minister Marcilio remained impassive to the president's complaint, which irritated his direct subordinates, who felt helpless.

The minister's impotence in the face of the inflationary situation led the government to the obvious belief that it lacks someone to formulate an economic policy. During the negotiations with the IMF in Bangkok, Thailand, Marcilio will play his decisive card to reach an agreement regarding the foreign debt, which will strengthen his position as economy minister. However, if he is not successful, he will leave a vacuum in the economic sector.

Controls, Monitoring of Some Prices Resumed

PY1110204691 Rio de Janeiro Rede Globo Television in Portuguese 1600 GMT 11 Oct 91

[Text] The OFFICIAL GAZETTE published today a list of the products that will again have their prices controlled by the government. Here are the main products to have their prices controlled: bar soap and sausages.

The following products will have their prices monitored: mayonnaise; bologna sausage; ice cream; razors and shaving kits; toilet soap; scouring powder; scouring pads; glass bottles for soft drinks and beers; word processor printers; switches and electric commutators; and some industrial raw materials.

President Collor regretted today having to resort to price controls:

[Begin recording] We hoped each sector of our society would take a responsible attitude toward the price deregulation process and would not be abusive.

We were forced, however, to control and monitor some prices to avoid having to give up our efforts to stabilize our economy. [end recording]

In the interview, President Collor also said that he is not considering any change in the economic team.

[Begin recording] This is one more of the famous rumors that are spread in the country on Thursdays and Fridays.

I have not considered making any change in the economic team. It is incredible. When I opened today's papers and read the headlines on the Economy Ministry, I was surprised. I do not know how these rumors begin. [end recording]

IMF Head on Stabilization Plan With Government

PY1410185691 Sao Paulo FOLHA DE SAO PAULO in Portuguese 11 Oct 91 Section One, p 5

[Report by Armando Ourique, special correspondent in Bangkok]

[Text] Michel Camdessus, IMF managing director, announced yesterday in Bangkok that the IMF Board of Executive Directors must approve by the end of next December a 20-month stabilization program for Brazil whose main guidelines already have been agreed upon.

The IMF mission that visited Brazil in the third week of September "reached an agreement with Brazilian Government officials on the main points of an economic recovery and stabilization strategy for 1992 and 1993," Camdessus said.

The IMF managing director said: "If everything goes well, only minor technical and bureaucratic procedures are left before the agreement is finally approved."

Brazilian Economy Minister Marcilio Marques Moreira said on 9 October that the IMF agreement depends on the approval of tax reform by Congress. Camdessus did not refer to the subject directly. His restrained, vague, and diplomatic statement, "if everything goes well," may be interpreted in different ways.

Camdessus did not give any details of the contents of the program that was agreed upon. He said Brazil is "simultaneously suffering high inflation and low growth." He said this situation "must be corrected" and that he "believes that this program may make magic."

Camdessus said the existence of political difficulties in Brazil in approving the program "is no news," as well as the lack of "unanimous enthusiasm for the stabilization" program. "I have never seen a country start a stabilization effort with a carnival atmosphere," Camdessus said as he stressed that he expects serious and controversial discussions in Brazil about the agreement with the IMF.

He said: "It is true that any (IMF stabilization) agreement implies difficulties and pains," but, he added, "making an adjustment is an effort."

Camdessus defended the stabilization program by saying that "in light of Brazil's great potential, the need, usefulness, and good prospects that the agreement will bring must not be doubted."

He said that "although some groups among the public do not like a stabilization program, no one in Brazil is pleased with the situation" in which the country currently finds itself.

The "standby" [preceding word in English] agreement (which calls for a restrictive program) being negotiated allows Brazil to withdraw a maximum of $3.5 billion from the IMF for a three- to five-year period.

The total amount that Brazil may obtain will probably not be greater than $2.78 billion because the IMF has never authorized the maximum limit that its statutes foresee for "standby" agreements.

Of the total loan, 25 percent must be used to reduce the Brazilian foreign debt, Camdessus said. Brazil will use this money to buy U.S. Treasury Bonds, which will serve as payment guarantee for the principal of the new debt contracted with private banks. After approving the "standby" agreement, the IMF may grant additional credit for these operations.

Central Bank Lifts Freeze on New Cruzados

PY1610021491 Brasilia Voz do Brasil Network in Portuguese 2200 GMT 15 Oct 91

[Text] The Central Bank released today the third portion of new cruzados frozen in 1990. This portion amounts to 912 billion new cruzados converted into cruzeiros, of which approximately 700 billion cruzeiros belong to private individuals.

With this new measure, the Central Bank has released a total of 1,700 billion new cruzados since August. There are still 9 trillion new cruzados frozen in the Central Bank.

Chile

Aylwin, Aides Assess Government's Performance

PY1410161091 Santiago Television Nacional de Chile Network in Spanish 2330 GMT 13 Oct 91

[Text] President Patricio Aylwin reviewed his government's performance during an all-day meeting he held today at La Moneda Palace with more than 100 of his aides. Aylwin asked his aides to devote themselves entirely to their duties without overlooking the fact that there will soon be an election here.

Interior Minister Enrique Krauss made it clear that there will be no changes in the government team or in specific policies. He said that great significance has been attached to keeping in touch with the people.

This was the first meeting with ministers, under secretaries, mayors, and chiefs of services held by President Aylwin in 18 months of government. The meeting, which was held in a relaxed atmosphere, began shortly before 1000 in the main hall of La Moneda Palace. Aylwin expressed satisfaction about meeting with his closest aides. The ministers of education, finance, and transportation were the only ones who were absent because they are currently abroad.

Aylwin evaluated his government's performance, taking into account the program formulated by the Coalition of Parties for Democracy. Failures and deficiencies were openly discussed; that is, the positive and negative aspects of work performed thus far. The president engaged in an energetic dialogue with his aides.

Ministers in the political and socioeconomic areas also addressed the meeting.

[Begin recording] [Krauss] It was an overall review of the government's performance. We did not review each sector separately, nor did we pass judgment on specific policies or sectors. Rather, it was a comprehensive review of the government's overall policy.

[Unidentified reporter] Will there be changes in the government's communications policy?

[Krauss] Let me repeat that we did not define policies or make decisions. This was an analysis of the government's overall policy by the president of the Republic and his closest aides. No specific subject was reviewed and no decisions on policy or team changes were made.

[Reporter] Time and again it has been said that the government's progress and achievements have not reached the people, that there is no tangible evidence of such achievements. Was this brought up? Did you discuss the flaws in this area?

[Krauss] The truth is that the government has made a huge effort to benefit the poorest sectors, that is, most Chileans. We did, however, analyze our relations with the people. The president hopes that he and his aides will be in close touch with the people. He believes that the government and the people must be close, that we must search for ways and mechanisms for the people's participation. Obviously, this participation should not be seen as co-government, but as an effort to listen to the people's aspirations and ideas and to interpret and implement them. We must stay in close touch with the people. [end recording]

Krauss said that the government is entering a new stage that entails a reformulation of objectives. He said that there are two major tasks that must be emphasized during the remaining period of the government's term: consolidation of democracy and equitable economic growth. He added that the main political objective is to achieve as many agreements as possible in order to keep the Coalition of Parties for Democracy alive.

Silva Comments on Chilean-Bolivian Relations

PY1210181891 Santiago Radio Nacional de Chile Network in Spanish 1100 GMT 12 Oct 91

[Text] Foreign Minister Enrique Silva Cimma said yesterday that the government is convinced that Chile and Bolivia must resume ties in the last years of the 20th century and forget old disputes. Silva made these comments during the 86th Interparliamentary Union Conference, which will conclude today at the Diego Portales Building.

In his speech, Silva said that, as the military coup in Haiti has shown, only by solving serious social and economic problems can peace and democratic stability be ensured.

During a news conference, Silva commented on Chilean relations with Bolivia and pointed out that although the two countries have no diplomatic relations, they are linked by friendship ties and broad cooperation. He added that this cooperation is being analyzed through a bilateral dialogue, which excludes Bolivia's landlocked situation. The minister said that the proposal presented by Independent Democratic Union President Julio Dittborn, calling for a sea outlet for Bolivia, is not shared by

most Chileans nor by the Chilean Government, which is responsible for the definition of Chilean foreign policy guidelines.

Radical Party Senator Ricardo Navarrete, who is the chairman of the conference's Organizing Commission, reported yesterday that some 50 resolutions will be voted on during the Interparliamentary Conference closing ceremony. Regarding the main topic—human development—it is expected that the Conference members will approve the proposal presented by the economic subgroup. The proposal calls for the implementation of the UN Program for Development project called Dividend for Peace. This proposal has been supported by the Chilean and Swiss delegations. This project contemplates the assignment of 25 percent of the great powers' savings after they reduce their military expenses within the framework of the new international order. The project states that this 25 percent should be assigned to development projects in the Third World.

The Interparliamentary Conference Commission for Human Rights analyzed yesterday, at the meeting held in Santiago, the hardships experienced by 76 congressmen, including Chilean Socialist Deputy Carlos Lorca who was arrested by the former military regime security aparatus and has not been heard of since. The commission also discussed the murder of four Colombian congressmen and of Honduran Congressman Miguel Angel Pavone. The most serious case, however, occurred in Birmania, where 63 congressmen have been arrested by the military. One of them died in jail and another has been sentenced to death, while his comrades have been sentenced to more than 20 years in jail.

U.S. 'Discriminatory' Aid Treatment Viewed

PY1110120091 Santiago Radio Cooperativa Network in Spanish 2300 GMT 10 Oct 91

[Report from mobile unit by Mario Contreras]

[Text] National Renewal Party [PRN] Deputy Federico Mekis said that the agreement between the U.S. Embassy and the Chilean Foreign Ministry has taken his party by surprise.

The congressman thus answered government officials who responded to his charges over the law on U.S. foreign aid to Chile.

[Begin Mekis recording] I profoundly regret the mistaken interpretation of the facts that I supplied about the restrictive and discriminatory measures contained in the law on U.S. foreign aid to Chile.

I am surprised by this new agreement among the U.S. Embassy, the Chilean Foreign Ministry, and the defense minister to justify a restriction that will affect our country.

The U.S. law currently under discussion establishes that, unlike in the past, U.S. military aid to Chile will be conditioned. [end recording]

He added that the fact that this restriction applies to other countries does not justify this example of discrimination against our country.

Mekis said that the efforts made by Chile to normalize its relations with the United States demand reciprocal treatment, but this is not compatible with the terms of this law.

Mekis pointed out that it is absurd to believe the interpretation by the Chilean Defense and Foreign Ministries that the 15-day deadline to notify the U.S. Congress has no bearing on U.S. Government decisions. It presupposes that the U.S. Congress issues useless regulations and deadlines.

He added that the conduct of the U.S. Congress clearly shows that it does not have such a passive attitude as the one assumed by the Foreign and Defense Ministries.

In conclusion, Mekis said that press reports leaked in Washington indicate that the aforementioned bill would be conditioned to the resolution of the Letelier case and the early retirement of General Augusto Pinochet.

German Chancellor Kohl To Arrive 19 Oct

PY1510021491 Santiago Radio Cooperativa Network in Spanish 2200 GMT 14 Oct 91

[Report by Carmen Castro]

[Excerpts] Chilean Ambassador to Germany Carlos Huneeus arrived in Chile specifically to join the preparations for German Chancellor Helmut Kohl's visit to our country. Ambassador Huneeus has emphasized the importance of the two countries' exceptional opportunity to open new spaces in their bilateral relations.

The sponsor of German unification will be accompanied on this tour, which will also include a visit to Brazil, by an 80-person entourage.

The Chilean diplomat granted us an exclusive interview on the reactions in Germany to Kohl's visit to Chile.

[Begin recording] [Unidentified reporter] In your opinion, how important are Chilean-German relations for the German Government?

[Huneeus] They attribute an enormous importance to our bilateral relations. Unofficially, the Germans repeatedly have expressed their admiration for the Chilean political and economic processes. They believe the peaceful and gradual transition to democracy, which is occurring simultaneously with an important economic and social development, should be admired and imitated by the other Latin American countries.

From this point of view, the chancellor's visit is very important because he will be able to express his opinion

about these issues and his support for a people and a country that he especially cares for. [end recording] [passage omitted]

[Begin recording] [Reporter] Is there any international issue to be discussed here in Chile? Will Kohl discuss German reunification or any other international issue?

[Huneeus] He undoubtedly will discuss German reunification and the consequences it is having inside Germany and the problems the Germans are facing in developing the former GDR, as well as the impact that a united Germany is having on the international community. The importance of this reunited Germany will be discussed because the German people realize that this increased importance also means more responsibilities. It does not mean more power, but more responsibilities. They will wish to discuss these topics with the Chilean Government, with which they are closely related. [end recording]

Chancellor Kohl will arrive in Chile on 19 October. The Chilean-German trade exchange now totals $1.4 billion a year, and Chile has a positive balance in its favor because it exports $1 billion a year to this Central European country.

Official Says Asylum Available for Honecker

PY1110192091 Santiago Radio Chilena Network in Spanish 1700 GMT 11 Oct 91

[Text] A Chilean Government official, who chose to remain anonymous, in an interview published today by the German daily LEIPZIGER VOLKSZEITUNG, stated that if former GDR chief of state Erich Honecker requests asylum he will not be expelled from Chile.

According to the Chilean official, there is no legal agreement between Bonn and Santiago and no extradition treaty. He also said that an emergency passport issued by the Red Cross would be enough for Honecker to enter Chilean territory.

The Chilean Foreign Ministry stated on 2 September that it would not authorize Honecker to enter the country while legal proceedings started against him by German authorities after the reunification of the two Germanies are continuing.

The Chilean official also said that Chileans are in favor of granting Honecker asylum because they have not forgotten that the GDR welcomed many Chileans who escaped from the military regime.

Honecker's wife, Margot, arrived in Chile on 5 October. She is staying with her daughter, son-in-law, and two grandchildren in Concepcion.

Wife Grants Interview

PY1510141291 Santiago Television Nacional de Chile Network in Spanish 2330 GMT 14 Dec 91

["Exclusive" interview with Mrs. Margot Honecker, wife of former GDR President Erich Honecker, who is visiting Chile, by Santiago Pavlovich; date not given—recorded, in German with simultaneous translation into Spanish]

[Excerpts] [Pavlovich] Mrs. Honecker, you have now spent a few days in Chile. What is your opinion of our country?

[Honecker] As you well said, I am in Chile for the first time. It is a very friendly country. I would like to take this opportunity to thank, through this channel, the many friends I have in Chile, friends whom I do not know, for all the greetings and expressions of gratitude they have extended to me.

[Pavlovich] Many Chileans, as you said, have found asylum in the ex-GDR. [sentence as heard] Have you found the same solidarity here in Chile?

[Honecker] I feel strong solidarity with many Chileans and I feel, in general terms, the tremendous tolerance of Chileans among themselves and a tolerance concerning myself.

[Pavlovich] Tolerance even among the rightist parties?

[Honecker] I cannot say whether tolerance exists in that political sector or whether there is understanding. We cannot expect everyone to understand the situation. Chile has been very far from European events, but each has his own opinion, his points of view, and this is a democracy. That I can understand.

[Pavlovich] Yes, but there are people in Chile who do not want your husband here as a political refuge.

[Honecker] I have personally met very few of those people. I have met many people from different political parties, as well as people with no political parties, people who are not involved in politics, who have said that Chile is a country which has traditionally granted asylum to many people. Deep inside I feel that there are people who would like to see my husband in Chile, with his children, living here for some time, because he is not very young, after all. He is 79. At this age, time becomes a tyrant and, of course, after a difficult and long life of hard work, one would like to enjoy some tranquillity within the family, which is a German-Chilean family, or a Chilean-German family. [passage omitted]

[Pavlovich] Have you met some Chilean officials?

[Honecker] No. I have had no official contact with Chilean officials. I have met with several politicians, many of whom have been in the GDR.

[Pavlovich] But have you formally requested asylum for you and your husband?

[Honecker] No. I am here on a private visit, and as I said, as soon as I got my German passport, I came to Chile. Naturally I hope my husband and I will eventually be able to live together for some time in Chile.

[Pavlovich] Can you tell me about your husband's current situation?

[Honecker] I am very happy to say that health wise he is very well. However, he was submitted to a number of very difficult operations in a very short period of time. He has kidney problems, and he will no longer be a normal and healthy person. I think that if he could live a quiet and normal life, in a good environment, he could improve his state of health. For a man of 80 his state of health is normal.

[Pavlovich] Are you aware that in Chile your husband can run the risk of attack?

[Honecker] Where in the world can we a find place where there are no risks? A well-known politician always runs these risks.

[Pavlovich] And have you ran into some risks here in Chile?

[Honecker] No. By no means. I have always been surrounded by friends. Perhaps I am lucky, but this is how it is.

[Pavlovich] German Chancellor Helmut Kohl is expected to arrive next week. Do you expect to meet with him or have some type of contact with him?

[Honecker] It is just a coincidence that I am here now that Kohl is coming to Chile. He is a politician and I am a grandmother.

[Pavlovich] Mrs. Honecker, the German prosecutors are accusing your husband of the death of many people when he ordered the troops and the people's police to fire at those who wanted to escape from the country. What is your answer to this?

[Honecker] Here in Chile I do not want to talk about the political problems of Germany or of Europe. I do not want to speak about the problems resulting from the accusations or charges brought against my husband. I think these accusations and charges stem from political principles, and we can have different thoughts about them, but there are no legal basis so as to take the former GDR president to trial before a German court, because the GDR was a sovereign country, recognized by international law. It was also a German state recognized by the FRG. This is all I can say about this matter.

[Pavlovich] Mrs. Honecker, I suppose many people are interested in knowing your point of view regarding these great changes in Germany, such as the downfall of the German wall, etc. How do you see these changes?

[Honecker] I would like to repeat that I have not come to Chile as a politician. I have come on a private visit to a family, and I will not express my ideas about these political matters. I have my opinion, my point of view, but I ask you to understand me.

[Pavlovich] In any case, I would like your ideas on the future of Germany and of Europe.

[Honecker] I have hope, but it will be very difficult because there are many contradictions and many problems in really achieving peaceful European unity and a unified Germany. It is a country with 80 million inhabitants and a tremendous economic, military, and political power. It will be able to meet the responsibilities repeatedly mentioned by the government; it will defend the German cause, which is to defend peace. This hope is deeply felt by each and everyone, although it will be a very difficult path.

[Pavlovich] Some people say that a united Germany is a danger for the entire world.

[Honecker] Perhaps many say that, but the future will tell. It should not be, but maybe it is.

[Pavlovich] Many people have also said that there is a growing tendency toward fascism in East Germany.

[Honecker] I do not know whether this is a tendency. I think that fascism, the fascist ideology, or a fascist group have always existed in the old Federal Republic of Germany, and naturally the right has always had some potential, and this is related to the great social insecurity. Many young people are unemployed. They are not certain about their future. There is general frustration, and thus, the young people who have no future—those who are uncertain about their future, who have no roots, and are vulnerable — prospect. [passage omitted]

Cuban Deputies Maintain Socialist Model Stance

PY1610010691 Santiago Television Nacional de Chile Network in Spanish 2330 GMT 14 Oct 91

[Text] Even if Cuba must stand alone against the world, it will keep its socialist model. This position, which was defined by Fidel Castro during the Fourth Congress of the Communist Party of Cuba in Santiago, Cuba, was reiterated in Santiago, Chile, by Cuban deputies attending the Interparliamentary Union Conference. The Cuban delegation, which was noteworthy for listening attentively to each speech, defended their one-party political system and their planned economy because—as they stated—these two factors have allowed them to banish poverty from Cuba, unlike other Third World countries.

[Begin recording] [Unidentified reporter] What type of support does Fidel Castro currently have in Cuba?

[Ernesto Suarez, head of the Cuban parliamentary delegation] Absolute. Except for a small minority sponsored by the United States, Fidel Castro is fuliy supported by the people.

[Reporter] If that is so, why does he not seek to become a legitimate leader through democratic elections? Why does he not allow the people to confirm their support through their votes?

[Suarez] Who said that there are no elections in Cuba....

[Reporter, interrupting] But there is no opposition. There are no other candidates than those of the Communist Party of Cuba.

[Suarez] In Cuba, the candidates are appointed by the people.

[Reporter] Would it be possible for an opposition party that did not want to see Fidel Castro in power to present a candidate?

[Suarez] We will not let this happen because as long as there is imperialism, as long as there is a blockade of Cuba, and as long as our people continue to be threatened by imperialism, we Cubans must remain united, and we do that through the Communist Party.

[Reporter] The USSR and the East European countries used to have a similar slogan. Nevertheless, as soon as the multiparty system was allowed, the Communist regimes crumbled. Aren't you afraid of seeing that happen in Cuba? Isn't that the reason why you do not allow a multiparty system to be established in your country?

[Suarez] We do not fear that. You forget that you are comparing the USSR in Europe to Cuba in Latin America. They are not the same.

[Reporter] Therefore, Cuba does not plan to change its political model?

[Suarez] We will not change it because it has given us well-being. It has given us a level of health care that is unparalleled in Latin America. It has given us an education level unknown to other Third World countries.

I will tell you something: Is there or is there not democracy in the Third World? Are there or are there not elections? Are there or are there not multiparty systems? Now, tell me, how hungry and miserable are their peoples? What kind of democracy are we talking about? [end recording]

Colombia

Former President Reports on Caracas Talks

PA1510015591 Santa Fe de Bogota EL TIEMPO in Spanish 9 Oct 91 p 6A

[Text] Former Colombian President Alfonso Lopez Michelsen, in a report on the talks he held 30 September in Caracas with the Guerrilla Coordinating Board (CNG), said that in his opinion there are two guerrilla sectors, the peace keepers and warmongers, one of which "resorts to anything to sabotage our talks."

He said that the dialogue, unlike in the past, is taking place without any cease-fire commitment. What cannot be explained, he said, are the terrorist acts against defenseless civilians "which appear to be aimed at sabotaging any agreement."

In a five-point communique, Lopez said that if the Caracas talks are prolonged indefinitely, it may cause political problems for the Venezuelan Government.

Spokespersons for the CNG in Caracas announced 8 October that they are ready to settle the kidnapping of Juan Jose Chaux, liberal Cauca leader, who is being held by the Aldemar Londono Front of the Popular Liberation Army (EPL).

This was stated by Pablo Catatumbo, delegate of the Revolutionary Armed Forces of Colombia (FARC), in the Caracas talks. He said that topic was not discussed with former President Alfonso Lopez Michelsen.

Catatumbo, however, denied any knowledge of the kidnapping of two liberal leaders in Mocoa. "We do not know about that," he said. He added: "I can say that we will do everything possible to resolve the case of Dr. Juan Jose Chaux."

He reiterated that the CNG has no intention of attacking the electoral process. "We guarantee the country," he said, "that there will not be any incident on our part to endanger the elections."

He added that the guerrilla's main interest is to resume the talks as soon as possible and to be able to secure a cease-fire.

"We have a cease-fire proposal," he said, "which the Peace Commission and former President Lopez know of."

The former president's visit to Caracas gave rise to political reactions. The National Directorate of the Social Conservative Party issued a communique asking the political parties and movements, as well as the government, "not to associate the dialogue process being held with the CNG in Caracas with the elections."

The communique continues: "In view of the circumstances, we are hereby requesting that the parties handle the talks in Caracas tactfully, calmly, wisely, and with political awareness. As the nation's spokesman, the government should be left in charge of leading and conducting the whole process."

Reportedly, former constituent Alvaro Leyva Duran is the person who contacted Lopez Michelsen to arrange his meeting with the CNG delegates in Caracas.

Catatumbo commented that Leyva visited the Institute for Advanced Studies at Simon Bolivar University, the site of the talks with the rebels, over the weekend and told the guerrilla delegates that the former liberal president was very much interested in talking with them.

The rebel delegates did not at all object to Lopez' presence. Quite the contrary, they expressed satisfaction with it.

Local Coordinating Board Organized by Guerrillas

PA1510181991 Santa Fe de Bogota Radio Cadena Nacional in Spanish 1200 GMT 14 Oct 91

[Text] Cucuta—Three guerrilla fronts that operate in Norte de Santander have formed a Regional Guerrilla Coordinating Board [CGR] and announced their willingness to contribute toward the achievement of regional and national detente. The announcement was made during a news conference held yesterday afternoon in Catatumbo region. The CGR is comprised of a FARC [Revolutionary Armed Forces of Colombia] front from the border area; the Libardo Moratoro Front of the EPL [Popular Liberation Army]; and the Camilista Union of the ELN [Army of National Liberation].

The news conference was attended by guerrilla leader Ruben Zamora and Commander Fabioa of the FARC Command; Homero Garcia and Abel Mora, of the EPL Command; and Guillermo Mayorga; Laura Velasco; and German Porras of the Camilista Union. During the conference and the official announcement of the CGR's creation, it was reported that the EPL denies reports that link it with the kidnapping of Senate candidate Jose Eduardo Diaz Parade. The participants also rejected charges concerning subversive raids along the Venezuelan border.

We are fully abiding by our pledges on this, the CGR members said. They added: We also want to reassert, from here in Norte de Santander, the firm pledge of the forces represented here to jointly work with other departmental organizations in the search for peace with democracy and social justice. Through you, and in accordance with the above, we advise the public that our camps are open to anyone who identifies with the goal of walking along paths that lead us toward achieving the long sought peace. Today, more than ever, we need the active participation of the people in Norte de Santander in the planning of development and democracy via a national dialogue to review the economic situation; the welfare, rights, and freedoms of the people; and appropriate use of natural resources. The CGR members also state: Given the what has been stated, we reassert our invitation to join a high-level Colombian-Venezuelan commission that would be in charge of drafting a border policy, based on the actual needs of the people living there.

This, we repeat, was revealed during a meeting with some local journalists in the mountain area of Catatumbo.

ELN Faction Asks To Participate in Talks

PA1510021791 Santa Fe de Bogota EL NUEVO SIGLO in Spanish 8 Oct 91 p 6

[Text] Socialist Renewal Movement of the Army of National Liberation (ELN), which a few weeks ago broke away from that organization, has asked the government to make official the talks taking place in Santa Fe de Bogota and demanded the participation of the so-called Legislative Commission and other sectors of the country in the Caracas talks.

Jacinto Ruiz, a spokesman for the dissident faction, said that informal meetings were held with the government, a delegation of the Special Commission, and several members of the Advisory Commission on Public Order.

Talking to reporters, Ruiz indicated that his renewal current deems it a priority to "discuss and agree on the demilitarization of society and national institutions, review of laws that place conditions or hamper social protest or political action by opposition forces, and adopt a social emergency plan to ease the serious problems of large sectors of society."

According to Ruiz, there is an urgent need to resume the Caracas talks with "greater commitment and flexibility from both sides to reach an agreement that will cope with the new incidents disturbing public order."

Ruiz requested that the Socialist Renewal Movement be allowed "to participate fully in the Caracas talks, which will give a new outlook to the peace process. For this purpose, we have gotten in touch with the Guerrilla Coordinating Board." The Caracas talks lack civilian participation. "It is necessary for the parties, movements, all social organizations, unions, intellectual circles, and the media to participate in the talks so the balance can be weighted in favor of negotiation and agreement," he said.

He reiterated that the Socialist Renewal Movement's rifles will be silent during the month of October.

Ecuador

Borja Calls For Peaceful Agreement With Peru

PA1610025691 Paris AFP in Spanish 2134 GMT 14 Oct 91

[Text] Quito, Oct 14 (AFP)—On 14 October, Ecuadoran President Rodrigo Borja stated that there is a possibility of a friendly and peaceful agreement with Peru on the border issue. At the same time, he denied any unconditional submission to the peace "that must take precedence over the respect for the Amazonian rights" of Ecuador.

During a speech held before retired military officers, who staged a march supporting his administration, Borja restated his invitation to Peru to accept Papal mediation. Referring to the destructive capacity of modern weaponry, President Borja pointed out that "no country on earth, even though it wins a war, will emerge victorious."

Since last August, Ecuador and Peru have had tense relations on their common Amazonian border. Both countries have emphasized their willingness to a

peaceful solution. Peru has rejected the Ecuadoran proposal to have Pope John Paul II mediate the issue, as he did during the dispute between Argentina and Chile over the Beagle Channel.

According to Borja, the proposal for papal mediation has the support of international public opinion and "he is hopeful that this will pressure Peru to accept this proposal."

Borja stressed that mankind wants peace, and that the world is afraid of the horrors caused by wars. He also stated that this territoriality dispute "has brought us moments of tension and shock that has, occasionally, put both countries on the verge of war."

After calling for national unity during his speech, which included a call for the support of his most bitter opponents, Borja said that within the ethics of the Ecuadoran people, there is a total rejection of war.

He added: "there is also the rejection of territoriality conquests obtained by force, and of course there is love for peace, but peace that is unconditioned, a peace with dignity, a peace that must not rise above the Amazonian rights of Ecuador."

He also indicated that the international policy program of his government is peaceful, "but at the same time firm, and we will continue in this path and hope Peru will comprehend so that both countries can reach an understanding to solve our problem peacefully."

Borja added: "if we reach a friendly and peaceful agreement, and I believe that it is possible, then most naturally the road to economic development will be open, and the investment of enormous resources that are currently being spent in purchasing weapons, will be used for more productive tasks."

Deputy Marco Proano, who headed an Ecuadoran delegation to the Interpaliamentary Union in Chile that ended on 11 October, said on 14 October that an agreement was reached with the Peruvian delegation to promote mechanisms of dialogue to overcome the problem. At the same time, the Andean Parliament addressed the five Andean governments expressing its concern and calling for an end to the controversy.

Cordovez Explains Troop Withdrawal From Border

PA1610040291 Madrid EFE in Spanish 2357 GMT 15 Oct 91

[Excerpts] Quito, 15 Oct (EFE)—The Ecuadoran Government explained today that Ecuadoran and Peruvian soldiers withdrew simultaneously from their common border, denying that only Ecuadoran soldiers had done so, as Peruvian authorities stated recently.

(In Lima, Peruvian Foreign Minister Carlos Torres y Torres stated on 13 October that the danger of a confrontation with Ecuador had vanished after Ecuadoran soldiers "withdrew without firing a single shot.")

Foreign Minister Diego Cordovez said today in Quito in a communique that "he has no problem in crediting Peruvian troops for the same thing, since there was a simultaneous withdrawal of soldiers from both countries."

He added that the withdrawal represented a "civilized action on the part of the two countries, based on the Detente Agreement negotiated with common sense to avoid a confrontation that would have been absurd and led to unforeseen consequences for the economic and social development of the two countries." [passage omitted]

In a letter sent to the five presidents of the region, which was disclosed today in Quito, the Andean Parliament, the political organization of the Cartagana Agreement to which the two countries belong, conveyed its concern over the situation on the Ecuadoran-Peruvian border, and urged the conflicting sides to find a peaceful and just solution. The Parliament also reaffirmed its confidence that Colombia, Bolivia, and Venezuela "will actively cooperate to preserve peace in the region, since this constitutes an indispensable qualification to maintain the Cartagena Agreement and remain on the path toward integration." The five Andean Pact countries will open a free trade zone on 1 January 1992.

Paraguay

Envoys Depart for Argentina for Yacyreta Talks

PY1610013891 Asuncion ULTIMA HORA in Spanish 15 Oct 91 p 13

[Text] A Paraguayan delegation headed by Foreign Minister Alexis Frutos Vaesken left for Buenos Aires at noon today to negotiate with the Argentine Government. The delegation will seek to "preserve Paraguayan interests," but this will not preclude the implementation of favorable solutions to problems affecting the Yacyreta binational agency. The negotiations will begin this afternoon.

Shortly before leaving, Minister Frutos said that the delegation will try to find favorable solutions for Yacyreta. "The spirit, the objective of the delegation is to preserve Paraguayan interests without raising obstacles to continuation of the Yacyreta construction. What we want is for construction to continue, while preserving our interests," he added.

Concerning Argentina's request that a price be set for the electric power that Yacyreta will produce in three years--a precondition that Argentina has imposed for continued funding of the binational agency—Vaesken said that Paraguay believes it is still early to talk about power rates. "The final factors for establishing power rates are not yet available. Our position is that it is not yet possible to set a rate because we do not yet know the cost of the project," he said.

The minister hinted that this will be one of the topics on which there will be more heated debates and that it will

be the most difficult to solve. As for the rationalization of expenses, the minister said that the Paraguayan Government agrees with it.

He stressed that the Paraguayan Government would like to guarantee the future relocation of and the construction of facilities for preservation of the streams that will be affected by the Yacyreta dam reservoir. "There are no serious problems now because —according to the technicians—beginning operations with the reservoir at 76 meters above sea level will mean little more than a normal flood. Precautions should be adopted, however, for the operation at higher levels."

Delegation

The delegation, which was scheduled to leave at 0730, was delayed for more than three hours because of bad weather conditions in Argentina. The delegation, which is headed by Minister Frutos Vaesken, is made up of Foreign Ministry Under Secretary Hugo Saguier Caballero, Yacyreta Director Alcides Jimenez, and Carlos Augusto Saldivar and Jose Felix Fernandez Estigarribia, members of the Foreign Trade Consultative Council.

Argentine Communique Explains Border Incident

PY1310021691 Asuncion ABC COLOR in Spanish 12 Oct 91 p 10

[Text] The Argentine Embassy in Paraguay issued a press communique on 11 October in which it admitted that Argentine Border Police personnel headquartered in Formosa Province entered Yukeri Island, near Pilar, in Paraguayan territory without authorization. It attributed this incident to an involuntary mistake.

The entry by the Border Police force was denounced by Police Inspector Ismael Torres, the Neembucu police chief.

The communique stated that Major Vera, the commander of Argentine Border Police Squadron No. 15, admitted that a squadron patrol entered Yukeri Island on the bank of the Paraguay River as part of routine operations, but as soon as they realized the mistake, they immediately left the area.

Torres, who described the incident as "an invasion," said that members of the patrol disembarked on the island on 9 October and, after questioning islanders about the number of families living there, inspected the island.

Torres said that the Paraguay River was diverted in that area, causing a geographical change, but "this does not mean that Yukeri Island will be part of Argentine territory."

The islanders said the Argentines told them that according to the Argentine map, Yukeri Island is shared by Paraguay and Argentina.

The ABC correspondent in Pilar contacted Argentine Border Police personnel, who said "an old map" could have caused the confusion.

As soon as he learned about the incident, Torres went to the island but the Border Police personnel had already left the area. He decided to establish a police detachment there and to fly the Paraguayan flag on a tall pole.

Minister Proposes Mediation on Debt With Italy

PY1110170791 Asuncion ABC COLOR in Spanish 11 Oct 91 p 4

[Text] Foreign Minister Alexis Frutos Vaesken said that if Italy does not agree to refinance the fraudulent loan obtained by Gramont Berres [with a forged state guarantee] in 1986 for a fruit processing factory that was built and abandoned in La Colmena, Paraguay is willing to consider international arbitration to solve the conflict. The Italian insurance company SACE and $45 million are involved.

The foreign minister accompanied Bruno Battai, Italian Foreign Ministry secretary general, at an audience with President Andres Rodriguez yesterday.

Battai said upon arriving on 9 October that the issue of the debt of Rosi S.A. was not serious. Yesterday, however, the secretary redefined the issue as "a difficult problem." Battai said that the viewpoints, laws, and regulations of the two countries place the issue at a level where "governments can do little or nothing" to solve it.

The Italian official stressed that the situation has been well studied, admitting that he will convey some proposals to his government. "It is a very delicate matter. My government will decide whether it accepts it or not," Battai said referring to the proposal put forth by Rosi S.A. entrepreneurs to refinance the debt with the European commercial banks or go to international arbitration.

The London-based Paribas Bank, which leads a group of European banks that are creditors of this debt, is willing to accept a private debt refinancing (in the name of Rosi S.A. and without a Paraguayan state guarantee) only if the Italian Government guarantees the operation.

Vaesken said that various bilateral cooperation projects have been delayed because of the Rosi S.A. debt.

The minister said that putting the issue up for arbitration "is one possibility." In this case the two countries would accept the decision of an international organization on our government's obligation to pay.

"It is a possibility. Perhaps I am unwise to propose it but we have to wait for reactions. It is one possibility that we have considered," the foreign minister said, possibly referring to strong opposition to the idea in Congress.

"They say that the loan was correctly granted in accordance with Italian laws. We are convinced, in accordance with Paraguayan laws, that we do not have to pay because the loan was not approved by Congress," Vaesken said.

"Congress must approve a loan before it becomes mandatory and legally binding for our government. Certain steps must be taken, including Congress approval, for the government to be obligated to a debt," the minister said.

Vaesken reiterated that at this time the Paraguayan Government cannot recognize that debt. "The obligation for the Government to pay does not exist," the minister stressed.

Italian Foreign Minister Guido de Michelis' emissary said his country is willing to find a favorable solution to the problem. Battai said that if the Italian Government accepts the proposals "we would be very pleased" because the country is interested in strengthening our bilateral relations to the level of our cultural and sentimental relations.

Soviet Expert Comments on Bilateral Trade

PY1410221891 Asuncion ABC COLOR in Spanish 14 Oct 91 p 15

[Text] During a foreign trade seminar sponsored by a private institution in Asuncion, Dr. Mikhail M. Voronejtsev—an expert from the Soviet trade mission in Argentina—lectured on "How To Do Business With the USSR."

After the lecture, Voronejtsev said in an interview with ABC Color that the coup in his country was positive because it confirmed that the process of opening toward the West is irreversible. In this regard, he mentioned the possibilities for establishing commercial ties with Paraguay. He stressed that his country, through loans that it will receive from the EEC, Japan, and the United States, will increase its food purchases. "Our country buys food from all over the world. We are interested in meat, grain, and other products that Paraguay can supply us. We have to talk about prices and supply conditions," the Soviet expert said.

He stressed that counterbalanced trade, that is, a barter deal, is a great opportunity for Paraguay and the USSR. Paraguay can receive cheap tractors in exchange for grain, soybean, cotton, and other products, he said. He added that there is also the possibility of opening joint Paraguayan-Soviet enterprises, stressing that the Soviets want direct contacts between enterprises, doing away with middlemen.

Soviet Technicians Will Visit This Week

He announced that three technicians will come from Moscow this week to jointly work with Asuncion Town Hall officials on the possibility of operating trolleys in Asuncion. "We have very positive experiences with this system of transportation in Cordoba and Mendoza, in Argentina," he said.

He said that the operation in our country of the Paraguayan-Soviet Chamber of Commerce is very positive for making bilateral ties increasingly closer.

Architect Nicolas Ermakoff, the chamber's president, said that bilateral trade already has begun because after the deals for Soviet cars, Paraguayan enterprises began negotiations for the sale of Soviet-made motorcycles, bicycles, and ceiling fans.

Peru

Ecuadoran Intrusion Reported; Protocol Cited

PY1410113491 Madrid EFE in Spanish 0352 GMT 14 Oct 91

[Text] Lima, 13 Oct (ANDINA)—Carlos Torres y Torres Lara, prime minister and foreign minister, revealed tonight that Ecuadoran soldiers who entered Peruvian territory "left without firing a single shot." Thus, the risk of a military confrontation with the northern neighbor has been averted "without having any major effect on the issue."

The minister revealed this during a television newscast. He added that the situation in the area of tension is back to the point where we found it when this administration took over.

The minister stated that the Rio de Janeiro peace, friendship, and border protocol, signed in 1942, is not under discussion and emphasized that "a great deal of diplomatic effort will be required" to avoid new tensions from now on.

He added: "This will be accomplished with the help of the guarantor countries and, particularly, through a proper border policy that Peru must develop to resolve the situation."

Torres y Torres said: "We must correct the mistakes of a great many years that have prevented demarcation of the territory. Undoubtedly, this is not easy and will take several months because it is not up to us and the guarantors alone; Ecuador must accept it as well."

He stressed that the efforts of the four guarantors of the Rio Protocol—Argentina, the United States, Brazil, and Chile—will be very important, in keeping with Article 2 of the protocol. He said: "This article outlines the duty of the guarantors to help reach a peaceful solution through a diplomatic campaign aimed at convincing Ecuador to change its attitude and to abide by the law."

Torres y Torres recalled that 95 percent of Peru's border with Ecuador has been demarcated. "Only five percent is left, the portion between the Cusumaza-Bumbuiza marker and the Yaupi-Santiago marker," the minister said.

He stressed that the parties must abide strictly by the provision of the Diaz-Aguiar ruling to ensure that the border area is marked clearly so as to avoid friction. He recalled that since 1948, Peru has been claiming the 25-km area where the border markers are located, while Ecuador has opposed this claim.

The foreign minister said: "We Peruvians say that there are no border problems with Ecuador because they have all been resolved by the Rio Protocol and the Diaz-Aguiar ruling."

He added: "The point is that five percent of the border is still to be demarcated exactly, thus there are some very small areas where frictions sometimes crop up."

The minister said: "The problem that has been pending since 1948 is final demarcation, a task that will require the assistance of the guarantors to ensure that there is compliance with the protocol."

He added: "It is necessary to involve the guarantors so that Ecuador—working directly with them and with us—will once again recognize the provisions of the protocol and allow us to complete demarcation."

He explained that Peruvians "must realize that this issue will not be resolved quickly because there is a strong feeling in Ecuador that the protocol is either null and void or that there are reasons not to comply with it, which is not the case."

Thus, he said, this task will take months but, in the end, the facts will prevail, meaning that the validity of the protocol will be fully confirmed. "That is what all these talks are for," he said.

Foreign Minister Comments on Banking Agreement

PA1510233591 Lima Global de Television Network in Spanish 0100 GMT 15 Oct 91

[Excerpt] On 15 October, Peru and the United States signed an agreement consenting to exchange information on their banking systems to prevent and punish the laundering of drug-traffic money.

This exchange of information will be done by the Peruvian Superintendency of Banks and Insurance Companies and by the U.S. Department of the Treasury.

The document was signed by Peruvian Foreign Minister Carlos Torres y Torres Lara and U.S. Ambassador Anthony Quainton in the presence of the diplomatic corp and the superintendent of banks and insurance companies, Dr. Hugo Garcia.

[Begin Garcia recording] This agreement can help the two governments in their legal efforts to stop money laundering. I am happy that following several months of negotiations, we have been able to reach this important agreement supporting our common effort. [end recording]

Minister Torres y Torres characterized the agreement as a historic step because it will promote clearer bank transactions.

[Begin Torres y Torres recording] This is a very important step. This is a really historic step because it permits clear bank transactions and allows us to stop money-laundering activities of people who engage in irregular activities, basically in the drug-trafficking field that use the banking system to escape responsibility.

This is why the decision of the two countries to work for clear bank transactions so that unlawful activities by criminals cannot be disguised represents an important historic step. [end recording] [passage omitted]

Conditions for Foreign Investments Viewed

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[Text] Economy Minister Carlos Bolona stated yesterday that there will be no foreign investment in Peru as long as the state does not resolve pending conflicts with Southern Copper, Occidental Petroleum, and Belco Petroleum, which no longer operates in Peru.

Bolona made this statement during a working luncheon organized by the Peruvian Institute of Business Administration, IPAE, during which the minister referred to the agreements with the IMF and to Peru's reinstatement into the international financial system.

Bolona did not give further details on those pending problems, but said that after the reinstatement into the international financial order, the next Peruvian Government challenge will be to attract foreign investment, "which will not come only because there is a good development law."

Commenting on this, he said that the first thing an eventual investor who arrives in Peru would ask is how are his national and foreign counterparts doing, among them the three aforementioned enterprises.

We must recall that the Peruvian Government has a pending complaint against the Southern Peru Copper company for supposed unpaid taxes, according to a report issued during the previous five-year term by former Deputy Fernando Sanchez Albavera and Aurelio Loret de Mola.

According to Southern Copper, when the government lodged its complaint for the unpaid taxes, the company had not yet recovered its investment, but the report argues that the investment was already recovered.

Concerning Occidental Petroleum, the current controversy refers to the fact that this company had demanded from Petroperu [State Petroleum Agency] the payment of a debt for crude oil, a debt the government claimed to have paid with other debts imposed on Occidental Petroleum for special fares that apparently are not justified.

According to the contracts, Occidental Petroleum was to charge these special fares for the recovery of the so-called secondary reserves, the extraction of which demands more sophisticated techniques. The problem is that those reserves were extracted in only four years, while it was thought that it would take 15 years to extract those reserves.

Finally, regarding Belco Petroleum, the company in charge of exploiting crude oil in the northern coast, it was expropriated without any payment during the government of Alan Garcia, which led the U.S. insuring company to lodge a judicial complaint that still is pending.

When Belco Petroleum was expropriated, its assets were transferred to Petromar, a subsidiary of Petroperu, which thus far has been charged with that exploitation, but the complaint still is pending in U.S. courts.

Bolona discussed yesterday these problems but did not mention whether there are negotiations under way nor did he mention the government position on these conflicts.

Minister Bolona went on to say that in December there will be news and "surprises" regarding the privatization process of state enterprises. He admitted that the government has had no "aggressive" policy on this matter.

Bolona added that after achieving Peru's reinstatement in the international financial system, in the next bilateral negotiations Peru will be able to negotiate the partial exchange of the debt or its reduction.

He said that the first operation could be proposed as an exchange for investment or for the reduction of coca plantation areas, and this reduction could be proposed for concessional debts and not for those of commercial origin.

He explained that these negotiations are not possible in an overall manner and much less before the formation of the Support Group and before achieving the financial reinstatement of Peru. He said that in the future those negotiations could be made bilaterally, but warned that Japan considers them unacceptable.

Bolona added that of the $22 billion in foreign debt no less than $14 billion is overdue, and thus the country is not on a good footing to face those negotiations.

The economy minister harshly criticized several times the economic policy of the APRA [American Popular Revolutionary Alliance] government, but he also responded to criticisms against his current policy.

He said that the irresponsibility of APRA leaders has destroyed the economy and has led us to the "regrettable noneligibility condition, in addition to the fact that we were on the brink of being expelled from the IMF in 1988."

Regarding current criticisms of his economic administration, Bolona said that the reinstatement has demanded a lot of work "and we should not fall into temptations nor listen to doomsayers, to opportunists, to the dreadful, and to the resentful."

He said that current demands for an agreement with the IMF are the result of tough and sustained negotiations because of personal views, "not because they were imposed by the IMF or the World Bank."

Tax Office Announces Major Revenue Increase

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[Text] Lima, 12 Oct (ANDINA)—An 18 percent sales tax revenue increase during September, compared with August, is an indication that a process of permanent and sustained tax collection recovery has begun in the country.

This was stated by Superintendent Manuel Estela Benavides of the National Superintendency of Tax Administration, Sunat. Benavides said that Sunat's challenge from now on will be to significantly reduce the level of tax evasion, which is still too high.

Benavides stressed the increase in the number of major taxpayers—which increased from 1,200 to 1,800—after an exhaustive investigation of the 1990 tax reports presented to Sunat.

Benavides said the tax collection improvement was reflected in the general tax revenue level, which jumped from 4.9 percent of the GDP [gross domestic product] in July 1990 "to nearly 8 percent today."

Benavides said the national budget goal is realistic and will be reached. "We have short-term programs that are compatible with the medium-term objective to consolidate our tax reform," Benavides added.

The superintendent announced the adoption of strong and drastic measures to punish tax evaders and illegal activities such as contraband, because some firms sell part of their production without registering it.

Benavides said Sunat has asked 1,800 firms to provide a list of their main clients, suppliers, external auditors, accountants, and tax advisers in order to detect any illegal trading.

Benavides said there is a consensus to reduce the number of taxes because it is a lot easier to administer a few taxes with clearly defined bases and relatively low rates. The superintendent cited as examples the income tax; the property tax; the value-added tax; the selective luxury consumption tax; and the imported goods tax or duties.